



Daily Report

Latin America

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Cuba

Deadline Nears for U.S. To Issue Visas

FL1105144888 Havana Radio Progreso Network
in Spanish 1100 GMT 11 May 88

[Text] Cuban officials have reported that the Tropicana troupe will not travel to the United States as announced if the State Department does not grant the visas that are still needed before 13 May.

U.S. Postpones INF Treaty Ratification

FL1105134088 Havana Television Service
in Spanish 0000 GMT 11 May 88

[Text] The U.S. Senate has decided to indefinitely postpone the approval of the treaty signed last December by Mikhail Gorbachev and Ronald Reagan eliminating short- and medium-range missiles.

The importance of this decision and the formal implications [rejugos] that accompany it clearly indicate that the United States is politically juggling a matter as serious as the hope of the entire world, which could open the road to disarmament.

Washington agreed after years of talks in Geneva to sign an agreement that, if it did not significantly decrease the nuclear arsenal, implied a first step in mutual understanding that would lead to greater advancements.

On the other hand, the hesitation and contradictions demonstrated in the months prior to signing that treaty imply that the United States is playing the game of a story without end or the game of I said this but I meant that.

We recall that just a few weeks ago as U.S. Secretary of State George Shultz was arriving in Moscow to finalize the details for the next meeting of the two countries' highest leaders, U.S. President Ronald Reagan surprisingly gave a speech in which he practically discarded everything that resulted from Gorbachev's visit to Washington in December. Gorbachev's visit had made humanity believe in the possibilities for 1988. It at least created hope.

Now, also surprisingly, a U.S. senator has decided to indefinitely postpone the ratification of that historic treaty just hours before the foreign ministers of the two nations arrive in Geneva to finalize the details for the next summit scheduled for less than 3 weeks from now.

What does this imply? What are the Yankees plotting behind these juggling acts?

The essence of what they are seeking cannot yet be clearly seen, but it is undeniable that they are playing dirty once more and trying with these maneuvers to force concessions on the part of the Soviets before the next summit which will begin on 29 May.

This decision was not known when Soviet Foreign Minister Eduard Shevardnadze arrived in Geneva today for the talks that will begin tomorrow with Shultz. That is why, in his remarks to the press on his arrival, Shevardnadze spoke of an extensive agenda that contemplated further talks for a possible treaty reducing nuclear weapons by 50 percent. Nevertheless, the entire agenda seems to have quickly changed due to the uncertainty of the approval or disapproval of the treaty. This is the first step in a series of problems.

Some congressmen in Washington have said that the agreement could be approved before the summit at the end of the month if Shultz comes home with good news.

This indicates that the delay in the ratification of the treaty is simply a tool to pressure to force the talks that Shultz and Shevardnadze will begin in Geneva tomorrow.

Risquet Meets With USSR's Dobrynin in Moscow

FL1105005888 Havana Radio Rebelde Network
in Spanish 2300 GMT 10 May 88

[Text] Jorge Risquet Valdes, member of the PCC Politburo and Secretariat, was received today in Moscow by Anatoliy Dobrynin, secretary of the CPSU Central Committee.

The two leaders held an extensive exchange of views for more than 2 hours during a meeting at the CPSU Central Committee.

SWAPO's Sam Nujoma Arrives, Gives Interview

FL1105232888 Havana Radio Rebelde Network
in Spanish 2300 GMT 11 May 88

[By Josefa (Busi)]

[Text] Sam Nujoma, president of the SWAPO [South-West African People's Organization] arrived in Cuba this afternoon at the invitation of Commander in Chief Fidel Castro. He was received at Havana's Jose Marti International Airport by Jorge Risquet Valdes, member of the PCC Politburo, and representatives of the diplomatic corps accredited in our country.

We had a brief interview with the African leader on the goals of his visit to Cuba.

[Begin recording] [(Busi)] Is your current visit to Cuba related to the next quadripartite meeting on the conflict in south-western Africa?

[Nujoma, in English with simultaneous Spanish translation] I'm responding to an invitation extended by Comrade Fidel to exchange views on the critical military situation. We certainly hope that the next talks with

Angola, in which Cuba, South Africa, and the United States will also participate, will be productive and will produce the application of Resolution 435. [end recording]

Yemeni Health Minister Meets With Julio Teja
*FL1105235288 Havana Radio Rebelde Network
in Spanish 2300 GMT 11 May 88*

[Text] Cuban Public Health Minister Julio Teja today received his counterpart from the People's Democratic Republic of Yemen, Sa'id Sharaf. The ministers had a productive meeting during which they exchanged information on the work carried out in the health sector in their respective countries.

Basic Industry Minister Meets USSR's Kamentsev
*FL1105010688 Havana Radio Rebelde Network
in Spanish 2300 GMT 10 May 88*

[Text] Vladimir Kamentsev, deputy chairman of the USSR Council of Ministers, today received Marcos Portal Leon, Cuban basic industry minister. During their meeting, the leaders discussed the condition of and future possibilities of economic-trade development between the Soviet Union and Cuba.

Further on Visit
*FL1105213888 Havana Radio Reloj Network
in Spanish 1952 GMT 11 May 88*

[Text] Cuban Basic Industry Minister Marcos Portal said that during his visit to the USSR cooperation plans were developed in the energy, non-ferrous, chemical, petrochemical, and fuel industries, as well as in the training of cadres.

The Cuban minister today ended his visit to the Soviet Union where he spoke to leaders from several sectors on the possibilities for scientific-technical and economic-trade ties. They also discussed the possibility of establishing direct links between Cuban and Soviet enterprises that would make better use of production capabilities and research in Cuba.

Marcos Portal said that joint measures are being adopted to accelerate the construction of projects in Cuba, including the first electro-nuclear center.

Castro Visits Hospital Expansion Workers
*FL1105135588 Havana Radio Progreso Network
in Spanish 1100 GMT 11 May 88*

[Text] Commander in Chief Fidel Castro visited Monday evening the members of crew No 2 that is installing prefabricated components at the Miguel Henriquez Hospital's expansion project. Hours later, before dawn Tuesday, the collective was setting a national record in this type of work by installing 108 prefabricated units in approximately 9 hours.

Provinces Complete Sugarcane Production Plans

Guantanamo Production Gains
*FL1005140588 Havana Tele-Rebelde Network
in Spanish 1100 GMT 10 May 88*

[Text] You can rely on the army of Guantanamo men and women, loyal followers of party policy and your useful teachings, in the struggle to move forward the revolution and socialism. This was stated in a letter sent by Raul Michel Vargas, alternate member of the PCC Politburo and first secretary of the party's provincial committee in Guantanamo, to the commander in chief on behalf of all the Guantanamo people after they successfully completed their sugar production plan.

Production shows an increase of 300 metric tons of sugar compared to last year and of 2,395 over this year's plan. Likewise, the people from Guantanamo promise to increase sugarcane volume and comply with sugarcane planting activities in honor of the 35th anniversary of the Moncada barracks attack.

Las Tunas Workers Write Castro
*FL1105141588 Havana Tele-Rebelde Network
in Spanish 1100 GMT 11 May 88*

[Text] "Las Tunas will not fail" is the last phrase of a letter workers of the province's sugar industry have sent to our Commander in Chief Fidel Castro after completing this season's sugar production plan. In addition, the letter notes that the workers also exceeded the manual weeding schedule in the January-April period and plan to continue harvesting sugarcane efficiently to guarantee future successes.

At the same time, they are working in housing construction and social projects, improvement of health services and other important economic projects in the province. Because of this, at the end of the letter they say: "Las Tunas will not fail."

Dominican Republic

Trade Unions Reject Minimum Wage Proposal
*FL1105004488 Santo Domingo Radio Mil Network
in Spanish 2130 GMT 10 May 88*

[Passages within quotation marks recorded]

[Text] The trade unions will accept only a minimum wage of 600 pesos as long as the government can check the current inflation and the rising dollar premium. This statement was made by Prof Rafael Santos, member of the executive committee of the Central Organization of Workers [CGT].

Santos, who is also secretary general of the Dominican Professors Association, made this remark when asked about the last proposal made by business representatives to increase the minimum wage to 475 pesos for the private sector.

[Santos] "The position of the trade unions is that a minimum wage of 600 pesos is acceptable if other measures are taken to protect the real value of salaries.

"We have asked that the transportation problem be solved, that social security be extended to families, that salaries up to 1,500 pesos be nontaxable, and that the prices of basic goods be reduced."

The trade union leader said the business sector opposes some of these measures and the government demands certain prices on priority products now that truly effective price controls are being pressed.

[Santos] "We are confronting a policy that each day becomes more incomprehensible in view of the crisis. In that sense, as Msgr (Agripe Collado) said, the business sector—the employers, the firms—has maintained a [word indistinct] attitude at the tripartite talks. We have made other proposals to adopt a joint agreement, and we think that business won its wage proposals."

Santos also said that the government should make a specific proposal on price controls and subsidized items.

[Santos] If they do that, then the talks will end; otherwise it will turn into a Byzantine exercise and [words indistinct] where the parties would lose confidence. They would lose faith, and it would turn into a street brawl, a confrontation. My greatest wish is that an ideal solution be reached, but the truth is that the business sector's position has become very rough, and the government position has become very unjust."

[Unidentified reporter] "All this [words indistinct] of 435 pesos?"

[Santos] "No, that is (?just) an opinion. I'm talking about [words indistinct]. I'm talking about a trade union member, a Dominican. A wage of 435 pesos is very little."

March Scheduled for 13 May

FL1105223688 Santo Domingo Radio Mil Network
in Spanish 1600 GMT 11 May 88

[Text] The General Central Organization of Workers [CGT] invites people to join the march to the National Palace this Friday, 13 May, at 1630 [2030 GMT] to demand a 50 percent reduction in the prices of basic goods, a minimum salary of 600 pesos a month, a readjustment of 250 pesos for workers earning up to 2000 pesos, a daily salary of 15 pesos for (?road builders) in rural areas, and a solution to the energy crisis, public

transportation, and potable water. The starting point will be Tunti Caceres and Juan Erazo Streets. The invitation is extended by the CGT and other Dominican trade unions.

Haiti

Gerard Auguste Chairs Meeting on Food Crops

FL1005214488 Port-au-Prince Radio Nationale
in French 0100 GMT 10 May 88

[Excerpt] The sixth coordinating council of the Project for Intensified Food Crops Cultivation [Projet d'Intensification des Cultures Vivrieres], PICV, met on Friday, 6 May, at Damien. The meeting was chaired by Agriculture Minister Gerard Philippe Auguste. Present at the meeting was a tripartite evaluation team-mission consisting of the UNDP, United Nations Development Program; PAHO, Pan American Health Organization; and IADF, International Agricultural Development Fund.

The conferees' goal was to make a critical assessment of the PICV's activities and to recommend action needed in order to solve the problems identified by preceding PAHO supervisory and IADF evaluation teams when they visited the field last April.

The delegates made the following recommendations: that a road infrastructure be created and that the network of reconstructed trails be given biannual maintenance; that serious basic water, soil, and topographical studies be made in order to avoid leaving things to chance; that the farming of food crops in the areas with the greatest potential, and popularization [as heard] and reforestation activities be intensified; that food crop farming be improved in the parts of the hills and plains most suitable for this; and, lastly, that agricultural activities be diversified in the most disadvantaged areas.

The minister of agriculture proposed a reorientation of this project in keeping with the government's agricultural policy while awaiting the report from the PAHO and the IADF, which it is believed will be useful for new programming. [passage omitted]

Jamaica

Development Bank Reports 1987 Successes

FL1005225388 Bridgetown CANA in English
1833 GMT 9 May 88

[Text] Bridgetown, Barbados, May 9, CANA — Jamaica's performance was one of the economic success stories of 1987, for there was noticeable acceleration in the pace of economic activity in the country, according to the Caribbean Development Bank (CDB).

The bank's annual report for 1987 said provisional data intimated that with few exceptions there were improvements in all the major indicators, to the extent that the targets set under a 15-month standby agreement with the International Monetary Fund (IMF) had so far been fulfilled.

Gross domestic product which had been projected to grow by 3.5 per cent was more likely to have increased by approximately 5 per cent, said the report which was presented to the 18th annual meeting of the CDB board of governors in St Kitts and Nevis, May 11 and 12.

In common with most of the other countries of the region, tourism and construction were the main locomotives of growth in Jamaica, with its 11,424 square kilometres, 2.33 million population and a jobless rate of about 23 per cent.

Manufacturing, particularly non-traditional garment exports, was also a major contributor to the economic expansion. Although significant strides were made in reducing the public sector deficit, lower than expected divestment proceeds and lower levels of savings by a number of public entities necessitated cut-backs in projected central government capital expenditure.

The recovery in the bauxite industry was strengthened, but this was accompanied by a widening trade gap. Despite excellent performances among some crops, unstable weather conditions saw a continuation of contraction within the agricultural sector.

Tourist arrivals exceeded the one million mark for the first time in the country's history, entrenching Jamaica as one of the leading destinations with Caricom. In the last four years, tourism replaced bauxite as the major earner of foreign exchange. At the end of the third quarter, estimated tourist expenditure was U.S.492 million dollars, topping the previous period by U.S.100 million dollars or 25 per cent. The full year figure is estimated to reach U.S.595 million dollars. The addition of 576 completed rooms in 1987 and another 880 rooms under construction, indicate a shift in construction activity away from the Kingston metropolitan area to the tourist resorts along the north and west coasts of the island.

Healthy tourist receipts were not sufficient to prevent a widening of the external current account deficit. At October of 1986 there was a deficit of U.S.28.3 million dollars, which increased to U.S.81.4 million dollars during 1987 mainly because of the deterioration in the trade gap.

Both merchandise imports and exports expanded during the year, but imports grew at a much faster rate than exports. In 1987, imports and exports grew by 25.5 per cent and 12 per cent to U.S.1,216 million dollars and

U.S.673.5 million dollars, respectively. Growth in purchases of raw materials and capital goods was the major contributor to the rise in imports, and reflects the buoyancy within the economy.

Nevertheless, larger capital inflows to both the private and public sectors increased the country's international reserves by U.S.283.3 million dollars, which compared favourably with the increase of U.S.19.4 million dollars during 1986.

In 1987, bauxite and alumina production was 3.94 million metric tons (mmt) and 1.62 mmt, respectively, compared with 2.93 mmt and 1.57 mmt in 1986.

Shipments of alumina increased by roughly 0.05 mmt to 1.4 mmt, while that for bauxite jumped by 1.01 mmt to 3.81 mmt. While the value of bauxite exports increased by 25.8 per cent to U.S.113.4 million, the value of exports of alumina fell by 2.3 per cent to U.S.200.9 million dollars.

Preliminary estimates show that in 1987 banana exports were 33,778 metric tonnes, while in 1986 the comparable quantity was 20,306 metric tonnes. Accordingly, the target of at least 30,000 metric tonnes was realised. Increased export levels combined with higher U.S. dollar prices generated an increase in foreign earnings from bananas of U.S.11.1 million dollars to reach U.S.20.3 million dollars in 1987.

Exports of coffee, another traditional crop, grew by 24.4 per cent. In contrast, earnings from citrus, cocoa and its products and pimento declined by 22.1 per cent, 4.6 per cent and 8.6 per cent to U.S.4.79 million dollars, U.S.6.7 million dollars and U.S.4.95 million dollars, respectively. Non-traditional exports rose by 40.6 per cent to U.S.228 million dollars. Garment exports, which expanded from U.S.52.54 million dollars to U.S.101.1 million dollars, accounted for over 44 per cent of total non-traditional exports.

The stability of the Jamaica dollar together with lower import prices and interest rates, contributed to the considerable reduction in the rate of growth of the consumer price index. At December 1987, the point to point change in the consumer price index was 8.4 per cent, compared with 10.4 per cent in 1986.

Within the monetary sphere, M1 grew by a modest 4.3 per cent and net domestic credit contracted by 8.4 per cent to U.S.1.3 billion dollars during the first seven months of the year.

Net credit to the public sector decreased by 27.5 per cent in contrast to the 18.7 per cent expansion recorded for the private sector. The two neutralising trends are consistent with efforts to reduce consumption and, concomitantly, to increase productive activity.

Commercial bank loans and advances grew by 28 per cent to U.S.\$0.8 billion dollars relative to the September 1986 level in response to an ease in monetary restrictions.

At the end of the third quarter, credit to government services increased by 38.8 per cent to U.S.\$160.3 million dollars. Among the productive sectors, mining, construction and transport, storage and communications received the largest increases—168.9 per cent, 36.4 per cent and 27.3 per cent, respectively—but the manufacturing sector continued to dominate the loan portfolio.

Deposit liabilities increased 21 per cent to U.S.\$1.3 billion dollars, with savings deposits expanding by 27.6 per cent to U.S.\$0.6 billion.

The structural adjustment measures adopted by the public sector were generating favourable results within the central government. Provisional data for the first eight months of the fiscal year, indicated that savings of U.S.\$69.7 million dollars had been achieved on the current account. This compares favourably with the deficit of U.S.\$19.1 million dollars in 1986. Furthermore, the overall deficit was reduced from U.S.\$176.3 million dollars to U.S.\$36.3 million with less than U.S.\$10 million dollars in credit from the domestic banking system. However, a number of public sector entities generated lower levels of operating surplus than anticipated and the divestment proceeds from the sale of 14 hotels were well below expectation.

Consequently, central government assistance to the public entities was higher than planned, necessitating a reduced outlay on capital expenditure in order to meet the targeted public sector deficit.

The national external debt stood at U.S.\$3,635.9 million dollars at June 1987 compared with U.S.\$3,520.3 million dollars at the end of 1986. During the year the government successfully negotiated the rescheduling of over U.S.\$500 million dollars in debt. As regards commercial bank debt the U.S.\$400 million dollars rescheduled was all principal payments while the Paris Club portion was attributed to take care of 100 percent principal and [figure indistinct] per cent of interest due.

An important initiative was the agreement with commercial banks to have some U.S.\$200 million dollars converted to equity. Modest success has so far been reported in the debt swap effort.

Consequent on the rescheduling arrangements, the debt service to export ratio is expected to decline by about 4 percentage points to 44.9 per cent during the fiscal year.

The severe structural adjustment and stabilisation measures adopted over the last three years strengthened the ability of the Jamaican economy to grow and also to withstand external shocks. Accordingly, an annual average growth rate of 4 per cent to 6 per cent is envisaged in

the medium term. Nevertheless, the CDB report felt that weaknesses still existed in the economy. More emphasis and resources needed to be injected into agriculture to relieve the current malaise. Furthermore, debt service ratios and the size of the external debt were still problematic and there were indications that the fiscal situation could deteriorate in the coming years as the government seeks to correct the inadvertent neglect in social welfare and infrastructure.

Concessional external resources would be of tremendous assistance in both containing the fiscal deficit as well as alleviating the large debt service obligations.

St Christopher and Nevis

Labour Party Reelects Former Premier Lee Moore
FL1105163588 Bridgetown CANA in English
1535 GMT 9 May 88

[Text] Basseterre, St Kitts, May 9, CANA — Former Premier Lee Moore has been returned unopposed as leader of the opposition St Kitts-Nevis Labour Party (SKNLP). The party's annual convention here on Sunday also re-elected the entire outgoing executive to serve another term in what is generally regarded as a crucial year, since elections are widely anticipated prior to the 1989 constitutionally due date.

Moore told delegates that the party's fortunes had been turned around in the past year through careful planning and the implementation of new strategies. He added that the Labour Party was now prepared for elections, describing it as being more united and stronger than ever. ...more people are expressing the opinion that Labour will form the next government, he declared.

He also announced plans by the Labour Party to commemorate the tenth anniversary of the death of former Premier Robert L. Bradshaw who died of cancer on 23 May 1978. Moore said that the commemoration will include a memorial service and a rally at Warner Park during which leader of the opposition Dominica Labour Party, Michael Douglas, will be the main speaker.

Opposition St Lucia Labour Party (SLP) leader, Julian Hunte, in an address to the party's convention, paid tribute to Bradshaw, declaring: His contribution to and involvement in the labour movement as well as Caribbean politics, have not been given the prominence that they rightfully deserve.

The St Kitts-Nevis Labour Party is associated with the SLP and the DLP in a loose coalition of opposition political parties of the eastern Caribbean.

Trinidad and Tobago

NAA Member Asks for Leaders' Resignations FL1105154088 Bridgetown CANA in English 1513 GMT 9 May 88

[Text] Port-of-Spain, Trinidad, May 9, CANA — A backbencher of Trinidad and Tobago's ruling National Alliance for Reconstruction (NAR) has criticised the leadership of the four-party coalition government, and has called for the resignation of two of the party's principal protagonists—Prime Minister A.N.R. Robinson and his deputy, Basdeo Panday.

Port-of-Spain North Representative Jensen Fox said in an interview with the SUNDAY EXPRESS that he was very disappointed with the performances of both Robinson and Panday, who was fired from his post as foreign minister in February after open disagreements with Robinson. I think that if the two gentlemen are unable (to resolve) their differences, they should go and if they can't make a decision to go, then I think the party should ask them to go, Fox declared.

Fox, who defeated former National Security Minister Overand Padmore in the December 1986 general elections, accused Robinson and Panday of allowing themselves to be engaged in petty squabbling. He said the bickering had hurt foreign investment and urged one-time Attorney-General Karl Hudson-Phillips, the NAR's second deputy leader, to mediate the dispute between Robinson and Panday.

Hudson-Phillips has remained firmly in the background since the NAR won the elections, just months after his Organisation for National Reconstruction (ONR), Robinson's Democratic Action Congress (DAC) and Panday's United Labour Front (ULF), and the Tapia House Movement of University of the West Indies academic Lloyd Best, forged an alliance to form the NAR to contest the elections.

I think Hudson-Phillips is the only person with...the ability to pull those two gentlemen together and maybe work something out, Fox added. Failing that, I think all three should resign and allow the party to elect a new prime minister, he said.

Fox was one of ten NAR members of Parliament who were absent when the vote on an opposition People's National Movement (PNM) no-confidence motion in the government was called in Parliament last week. He accused the NAR of abandoning its loyalists, in favour of a group of has-beens who have no political base.

Fox described them as rejects from the PNM, and some past the retirement age—an apparent reference to former head of public service Eugenio Moore who should have retired last year, but who is generally regarded here as one of Robinson's principal advisers.

Meanwhile, the National Council of the NAR meets on Sunday to deal with the internal problems that have beset the party in the aftermath of its resounding victory over the PNM in which it won 33 of the 36 seats.

El Salvador

PRAVDA Correspondent Kidnapped in San Salvador
PA1205041788 Panama City ACAN in Spanish
0335 GMT 12 May 88

[Text] El Salvador, 11 May (ACAN-EFE) — A local television network reported that strangers kidnapped Soviet PRAVDA correspondent Yuriy Stronev today. The source stated that Stronev was stopped by four persons near a San Salvador hotel at 2300 GMT and taken to an unknown place.

Stronev arrived in El Salvador on 8 May and is the first Soviet correspondent in this country.

No organization has claimed responsibility for the kidnapping of the Soviet correspondent. The military press office has neither confirmed or denied the event.

Unofficial sources noted that the newsman had been at the Army's information office this afternoon to request press credentials. He was not able to obtain the credentials because there apparently was a film shortage at the information office.

Press credentials are issued to correspondents to enable them to practice journalism in the country.

Stronev was last seen at a demonstration held on Tuesday by the Federation of Committees of Mothers and Relatives of Salvadorans Murdered and Disappeared for Political Reasons.

Ruben Zamora Interviewed on Political 'Crisis'
PA1205010788 San Salvador TCS Television
in Spanish 1215 GMT 10 May 88

[Interview with Revolutionary Democratic Front leader Ruben Zamora by two unidentified reporters at the TCS Television studio — live or recorded]

[Excerpts] [Passage omitted] [Zamora] I believe that, so far, elections in this country have not been contests for power; they have been contests to decide in what form power will be exercised. I share Father Villacuria's opinion that in our country real power is not in the hands of local political parties or their leaders, but in the hands of the U.S. Government, which has decided to implement a counterinsurgency plan. Power is also in the hands of the Armed Forces.

[Reporter] What could be the consequences if this political and institutional crisis we are now enduring is not resolved in the near future?

[Zamora] This crisis, made evident by the existence of two assemblies, the conflict between the courts and the Central Elections Council and so forth, is nothing but a manifestation of a more important problem; the problem is that democracy is not a legal formality but the result of

a tacit societal consensus, and this we do not have in our country because of the existing state of war. This is why there are problems, with conflicts at the institutional level. The solution will not be found by resolving an institutional problem only. The essential issue—consensus among the Salvadorans—must be resolved: [passage omitted]

[Reporter] When you speak you always talk about political openings and say that this does not signify a democratic process. In your opinion, how could a transition from a political opening to a democratic process take place?

[Zamora] For a transition from a political opening to a democratic opening there must be a political decision to do this. This is what we call the renewal of democracy. A society such as ours, which is going through a social trauma as deep as a war, which is the worst social trauma there is, requires a consensus among the main political and social forces of the country to be able to move on to a reconstruction phase. If there is no consensus, nothing will function. An example of this is Italy following World War II and fascism. Another case is Spain in the transition to democracy following the Civil War and the Franco dictatorship. These cases prove that a basic consensus is necessary. This is what we call the search for a national consensus, which cannot exclude any force for ideological reasons.

[Reporter] What conditions do you think exist now for reaching this consensus? Or do you think that there is no such condition?

[Zamora] On the contrary, we believe that there are more possibilities now of reaching this consensus than 3 or 4 years ago, because the desire to achieve peace and to find a new road is a more generalized feeling among the population, and because some political forces are showing a certain level of maturity in light of the situation we are facing.

[Reporter] For example?

[Zamora] There are the recent proposals made by the political parties, including the National Conciliation Party, during the elections campaign. We are also making proposals. These are indications that a truly new situation is beginning to emerge in our country. [passage omitted]

[Reporter] In the hypothetical case that there is a coup d'etat like the one in 1979—when you and other members of our country's leftwing were called upon to participate in the Cabinet and did so—would you be part of the ensuing government, even if you were not certain of the origin of the coup? I must add, however, that one more or less knows where coups originate in this country.

[Zamora] I do not believe coups d'etat are the solution for this country and the 1979 experience made this clear.

[Reporter] But, would you repeat your experience as a cabinet member?

[Zamora] The exact circumstances surrounding the coup would have to be studied, because I believe the country's problems cannot be resolved through a palace coup or coup d'etat. We have to use a different approach.

[Reporter] You told us the United States would be willing to bet on any side, and Mr Carillo [not further identified] has also analyzed coup d'etat possibilities and stated that a coup could not take place without the United States' approval. Could we thus consider that the coup d'etat could be a card the United States would play?

[Zamora] Yes, but for the United States that card is a very difficult one to play. What would a coup d'etat in this country mean? It would mean that the United States would have to drop the aid to El Salvador, which is reported internationally as aid for democracy, and the United States would have to report the lack of legitimacy. This would produce an even greater crisis for the United States and that is why I believe the United States is not interested at all in coups d'etat for this country.

[Reporter] What interest could the United States have in the Democratic Merger as a political party?

[Zamora] Well, it looks like they are not interested in that either.

[Reporter] Have there been any talks with them?

[Zamora] We have held talks with the U.S. Embassy as any political party would, and we clearly expressed our opinion at the time. We believe they do not play a positive role in our country and that in order to attain peace in our country we require a political solution that does not exclude anyone. We understand that the U.S. Embassy does not favor this type of solution.

[Reporter] Referring to present problems, President Duarte has called the three political parties in the Legislative Assembly to a meeting next Sunday to discuss a proposal that is to be presented to the FMLN. On the other hand, we have Father [name indistinct] who said he considered this the 1st year of transition, where no further advances in solving the country's problems could be attained. How would you politically analyze the president's proposal and what future do you think it has?

[Zamora] I believe any proposal leading to the resumption of a dialogue is a positive action, regardless of which sector presents it. In the case of that proposal, I believe we cannot be blind or naive. We must realize that Engineer Duarte and his government are currently experiencing a very serious crisis and that when politicians feel trapped in a crisis they take any opportunity to overcome it. There is a certain degree of opportunism in Duarte's proposal.

In addition, I believe it is an excluding proposal. That is Duarte's basic problem. He says the Salvadoran people's opinion must be expressed through an understanding among ARENA [National Republican Alliance], the PCN [National Conciliation Party], and the PDC [Christian Democratic Party]; in other words, the government. That is not the nation; it is only part of it. I, therefore, believe Duarte made an excluding proposal that will not lead to any positive results.

[Reporter] Do you think that if ARENA, which has a different ideology from the PDC and which has been talking about a national peace proposal, wins the next elections there will be more possibilities for a solution and more optimism to resolve the problem of the war?

[Zamora] If ARENA wins the upcoming elections, we would have to judge according to specific and not abstract actions. My true concern is that first of all the party that reaches power will face the same situation Duarte is facing now. Because over half his budget is spent on the war, there is no money; the government has no resources to develop a sensible policy to fulfill the demands of workers and the people in general. This leads to clashes, because people's demands are not fulfilled.

If ARENA or any other political force wins the upcoming elections, it will have to face the same situation Duarte is facing now. In the specific case of ARENA we are concerned, because extremist forces within ARENA, which are extreme right forces, have not left the party. They remain there and they can very well pretend to agree with the rest of the party for the next 12 months. They can very well be discreet and talk about a dialogue and many other things. If ARENA, however, wins the elections those forces will not remain inactive.

We would, therefore, be facing a series of factors that would lead the Salvadoran society to a larger conflict unless this country finds a true political solution. The problem is not whether ARENA, the PDC, or any other party including the Democratic Merger wins the elections. The problem is the achievement of a true political solution to end the war. [passage omitted]

[Reporter] In 1979, the left had ample participation in the government; however, it lasted only a few months.

[Zamora] Yes, exactly, and that was because in 1979, the country's democratic and progressive forces held government posts, but they did not have any real power. Why? Because power continued to be concentrated in the Armed Forces. At that time, the Cabinet served only to express the disagreement between the civilians who wanted true democracy and those who shot at demonstrators. We told the then defense minister: Colonel, it is not possible to talk about democracy while your troops are merrily shooting demonstrators.

[Reporter] Do you think the Armed Forces no longer hold power in El Salvador?

[Zamora] I believe the Armed Forces continue to be a major power in this country. [passage omitted]

Interview With FMLN's Ana Guadalupe Martinez
PA1105005688 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 10 May 88

[Interview with FMLN Commander Ana Guadalupe Martinez, "Maria," by unidentified reporter; date and place not given — recorded]

[Excerpts] [Reporter] Comrade Maria, we have recently heard statements by spokesmen of the Armed Forces High Command demanding that the regime's political sectors resolve the crisis, and threatening to intervene if this does not happen. Could you tell us what the real cause of the country's political crisis is?

[Martinez] I would not say that the current crisis is due only to the fact that the Legislative Assembly has not been sworn in, or due to internal problems affecting the governing party, or a conflict between the Supreme Court of Justice and the Central Electoral Council—these are all elements of the political crisis. The true cause of the crisis is nothing more than the lack of military victories on the part of the Army after all these years of war.

If the Army had been able to fulfill its task—designed by U.S. strategists to comprise a period of approximately 4-6 years during which the Army was to reduce the FMLN to a minimum or to a marginal force with no political or military clout in day-to-day national events—if this goal had been met by the Salvadoran Armed Forces, we would not be at this juncture, which, I repeat, is due to a lack of military victories. [passages omitted]

The only way to resolve the problem in El Salvador is to resolve the problem as a whole—the military, the political, and the social problem.

[Reporter] Comrade Maria, what specifically does the FMLN propose in order to resolve the current crisis in the country?

[Martinez] As I said before, we believe that an overall and not a partial solution is necessary. [passage omitted]

The solution must be found with the participation of all social, political, and religious sectors in the country in order to begin to seek factors leading to common solutions. [passage omitted]

We see the problem from two angles: the Army's inability to achieve military victories; and the lack of a socioeconomic program with which to resolve the grave economic crisis our people are confronting, the grave situation of misery affecting the majority in our country. Unless those two aspects are taken into consideration, there cannot be a serious solution to the country's crisis.

Therefore, (we should find) a quick solution to the military problem. Some time ago, the FMLN presented an 18-point proposal aimed at reducing the conflict in areas such as air warfare, sabotage, mines, and other military activities that affect the country's economy.

However, at the time the proposal was made, it was said that it was another propagandistic proposal, and it was not taken seriously. We believe that the military problem can be discussed based on the proposals already made public, or based on other proposals from other sectors within the Armed Forces. However, those proposals must be truly aimed at creating the necessary conditions that would lead to a solution and not to the continuance of the war.

The other aspect—the socioeconomic crisis—must also be analyzed by all sectors, not only by the political parties but by the various labor, trade, religious, and social organizations, which represent the majority of the Salvadoran people. In that sense, a national dialogue is imperative. In other words, we should start planning a national dialogue.

We believe that an understanding should be found in the very near future, and this will not be possible unless we begin a dialogue. It should be a dialogue among sectors that are really interested in proposing serious solutions. In the next few days, we will announce a new dialogue proposal calling the various sectors together to give continuity to the dialogue already initiated between the government and the FMLN-FDR through the reactivation of the cease-fire commission and other commissions established in the Esquipulas II agreements. We will also be summoning the various sectors in the Legislative Assembly, the Executive Branch, and the Armed Forces. We feel that these initiatives should lead to an agreement on some kind of national dialogue, because we do not believe that the Executive Branch, the Legislative Assembly or the Armed Forces have all the solutions for the Salvadoran problem.

Guerrillas Damage Dam, Kill 6 Soldiers
PA1105171188 Paris AFP in Spanish 1646 GMT
11 May 88

[Text] San Salvador, 11 May (AFP)—Early this morning the Salvadoran guerrillas attacked the 5 November Hydroelectric Dam located between Chalatenango and Cabanas Departments in northern El Salvador, military sources confirmed today. These sources added that six soldiers were killed and nine were seriously wounded during the action.

A military spokesman of the area said the rebel attack on the dam took place at 0100 (0700 GMT) and that four guerrillas were also reported killed.

A spokesman for the Rio Lempa Hydroelectric Executive Commission (CEL) confirmed the attack and said that the power central, located 81 km north of San Salvador, "has been seriously damaged."

Further on Attack

PA1205014888 San Salvador Radio Cadena YSU
in Spanish 1820 GMT 11 May 88

[Report by Walter Hernandez]

[Text] At least 15 soldiers were killed and 7 wounded before dawn today during a guerrilla attack on the 5 November Hydroelectric Power Plant located between Cabanas and Chalatenango Departments. We repeat, at least 15 were killed and 7 wounded before dawn today during a guerrilla attack on the 5 November power plant.

Reports from civilian sources in Sensuntepeque said that two Salvadoran Air Force helicopters arrived this morning with dead and wounded from the area attacked by the insurgents. The sources said that due to the ferocity of the attack, the bodies are completely burned and mutilated and the wounded soldiers are in critical condition. The dead include Sub-sergeant (Leonardo Sihuenca), Corporal Arturo Pineda, and Privates (Sosa Estrada), Rafael Flores Flores, and Rafael Ovidio Orellana.

A spokesman for the plant said the installations were seriously damaged, which has left the plant disabled.

Civilian sources in Sensuntepeque said military helicopters are still transporting victims of the attack, in which four FMLN guerrillas may have died. The bodies of the soldiers are now at the Sensuntepeque health center, Cabanas Department. Here is Guillermo Valencia with more information:

[Begin recording] [Valencia] Colonel Carlos Eduardo Melendez, adviser to the presidency of the Rio Lempa Hydroelectric Executive Commission, gave an official report this morning on the guerrilla attack carried out at 0010 against the 5 November Hydroelectric Power Plant by members of the FMLN. According to the report, the guerrillas blew up five transformers on the western side of the plant and destroyed the control house and a machine shop. Melendez reported that the generating plant itself was not damaged but that the power plant will temporarily be inoperative. The plant will temporarily not produce its usual 82,000 megawatts [figure as heard]

For the time being, official sources are stating that four soldiers and an explosives expert were killed while trying to deactivate an explosive device near the power plant.

It was also reported that power will be rationed as of today, 11 May, throughout the country.

[Melendez] A serious emergency that occurred before dawn today has forced power plant officials to inspect the 5 November power plant. I am sorry to report to the public that at 0010 today, guerrilla forces attacked the 5 November Hydroelectric Power Plant. They penetrated the installations and blew up all five transformers in the power plant substation, the control house, and the machine shop, as you can see from the photographs presented here.

The attack took place inside the installations but fortunately there was no damage in the machine room. An on-site inspection is now under way to evaluate the damage. However, because the transformers were destroyed, the power plant is out of operation for a still undetermined amount of time until we have a specific damage report. This means that 82 megawatts of power are not being produced, which will cause a power shortage throughout the country.

So far we have reports that six people from the power plant's security force were killed. There are also several wounded. We know they planted mines and we are using special equipment to inspect the ruins. There has already been one deplorable accident. An explosives expert was defusing a mine, which exploded and killed him.

We are evaluating the damage by having the plant personnel and the security people inspect the damage in order to proceed with the reconstruction. [end recording]

Military Judge Killed Near San Salvador

PA1105160388 Panama City ACAN in Spanish
1427 GMT 11 May 88

[Excerpt] San Salvador, 11 May (ACAN-EFE)—According to official sources, today unidentified men shot Judge Jorge Alberto Serrano to death. He was a military first appeals judge.

Lawyer Serrano, 45, was murdered at 0710 (1310 GMT) as he was driving along Layco Neighborhood Avenue, northwest of San Salvador.

This judge handled several delicate cases, including the "Zona Rosa massacre." [passage omitted]

Guatemala

Coup d'Etat Foiled in Guatemala City

Gramajo News Conference

PA1105181888 Guatemala City Radio Fabulosa
in Spanish 1621 GMT 11 May 88

[News conference by National Defense Minister Hector Gramajo at the Government Palace in Guatemala City—live; broadcast in progress]

[Text] ... you may make. Any question you may want to pose. This is a declaration by the Guatemalan Army. To prevent speculation and misinformation, you, the media, have been summoned to be informed of some irregular incidents that occurred a few hours ago.

1. All of you know about the current national situation and the background of the latest democratic government of these past 40 years. And you know of the circumstances some Latin American countries have experienced. Guatemala has indeed accepted a challenge by maintaining a solid democratic regime over the past 28 months. The regime has been further strengthened so it can continue its work.

2. Speculation, misinformation, and some unscrupulous persons finally succeeded in influencing some Army officers. As a result, there were some incidents of discipline today in two military zones of the Republic. These were 2 out of the 64 military zones and precincts of the Guatemalan Army.

3. Fortunately, these actions were immediately neutralized. The officers involved suspended their actions at once. Some officers even said they were deceived by other officers and thought they were coming on orders from the high command in support of the government.

4. At this moment, the two responsible officers have been identified. They are subject to an investigation. One is in the Jutiapa Military Zone and another is in the San Miguel [as heard] Military Zone.

5. The Guatemalan Army confirms and reiterates its unrestricted support for constitutional order. It will not allow these isolated actions to spread. These actions were provoked and begun by radical civilian sectors who are enemies of the system the people of Guatemala elected as part of its way of life. I want to take this opportunity to remind those radical elements that these incidents can constitute a crime. Committing or attempting to commit these crimes will not be allowed. Likewise, the Army holds them directly responsible for the consequences these actions may bring.

To end, I want to tell you that the Army's high command is extremely proud and congratulates the units for the high spirit they showed. We do so not only because they did not go along with this ploy but because they condemned it, as befits a trained and professional officer who in this way honors the oath he made to the fatherland and the Constitution.

Messrs newsmen, in this declaration we believe we are giving you ample material, considering the circumstances and the fact that it is early in the investigation. Now, I will gladly provide further details you may want to know.

[Reporter][Question indistinct]

[Gramajo] Of course, we can mention it because we have 64 military zones and precincts. However, we have discipline problems in Retalhuleu and Jutiapa. We do not want to give the names because other names may appear following the investigation. In addition, we may

harm the prestige of the officers. First, for ethical reasons, and, second, for purely procedural reasons of the probe, we are not mentioning names. Be assured that we are conducting an investigation. We have located two officers.

[Passage indistinct]

[Reporter] What were those indiscipline actions all about, and what did those unruly people want?

[Gramajo] [Words indistinct] journalist, here in Guatemala we are living in a period of democratic transition. The political immaturity of some sectors has resulted in events such as today's. Since inauguration day they have pressured the Armed Forces and have sought to destabilize the government for the possible purpose of taking control of the political, administrative, economic, and social leadership of the country.

[Reporter] [Question indistinct]

[Gramajo] I would first like to point out that those reports are false. I have said that we are a modern army. We are keeping our doors open to the press and radio. We want to be in constant contact with the population and we have committed ourselves to this. [passage indistinct].

[Reporter] [Question indistinct]

[Gramajo] It is still too early to tell. We have to wait for the result of the investigation. We have administrative procedures [words indistinct].

[Reporter] Sir, you said there were two arrested officers. [Words indistinct]

[Gramajo] [Passage indistinct] carried out early this morning. The two officers [words indistinct]

[Reporter] [Words indistinct]

[Gramajo] No, they were radical civilian elements. The political parties that are [words indistinct] within this process.

[Reporter] [Words indistinct] the manipulation of these elements by the MLN [National Liberation Movement].

[Gramajo] [Words indistinct] by some political party [words indistinct].

[Reporter] Will some people be dismissed because of these acts of indiscipline?

[Gramajo] Some officers [words indistinct] on what is going on in the Army. We believe this is [words indistinct] a result of the [words indistinct].

[Reporter] General, was the government aware of this movement? Yesterday morning, the president of the Republic met with the commanders of the southern area.

[Gramajo] The government was not aware of the movement. The Army is always [words indistinct] and the president went to the southern area to dedicate a new [words indistinct] and not to meet [words indistinct].

[Passage indistinct]

[Reporter] I wanted to ask if it is true that there were civilians involved in the movement this morning, including some businessmen driving pickup trucks and other vehicles?

[Gramajo] The movement was precisely [words indistinct] and trucks that were voluntarily lent and surreptitiously taken to a base. Thus, we will assume there are civilians involved. However, there is no enthusiasm or [words indistinct]. We are acting according to the law. During a recent Cabinet meeting, no one was aware of any discontent concerning any law or any state of emergency of [words indistinct]

[Reporter] I have another question: Were any young officers involved, such as those who are allegedly involved with some bulletins issued by a group called, Officers of the Mountain [Oficiales de la Montana]?

[Gramajo] I understand that those bulletins issued by those Officers of the Mountains [words indistinct] the civilians of the city. If there are any officers involved, these are [words indistinct].

[Reporter] Why do you think they chose this time for these undisciplined actions, as you call them?

[Gramajo] The truth is that [words indistinct]

[Question and answer indistinct]

[Reporter] Given the democratic process and the prestige that Guatemala has attained, do you think a coup d'etat is feasible?

[Gramajo] Look, even in spite of the [words indistinct]. The most we will do is to dismiss the rebellious ones [words indistinct].

[Reporter] [Question indistinct]

[Gramajo] I very much appreciate your attendance here. [Words indistinct] we have some outlawed radical groups. However, I will turn their names over to the Attorney General's Office so it will conduct its activities according to the law. [words indistinct].

[Question and answer indistinct]

Further on News Conference

PA1105224588 Panama City ACAN in Spanish
1916 GMT 11 May 88

[Report by Mario Rolando Sierra]

[Text] Guatemala City, 11 May (ACAN-EFE)—Two officers stationed at military bases in the country's interior and "manipulated by radical civilians" today tried to overthrow the Christian Democratic government of Vinicio Cerezo, but "the acts of indiscipline" have been checked, Defense Minister General Hector Alejandro Gramajo said at a news conference at the Palace of the Government's banquet hall, where he went in fatigues accompanied by the military high command.

Gramajo, who admitted that "no monolithic unity exists in the Army" but asserted that "it is modern and aware of the democratic process in Guatemala," added: "We have had problems of indiscipline at the Jutiapa (in the east) and Retalhuleu (in the south) military bases."

Without being specific, Gen Gramajo said: "Radical civilians succeeded in winning over some officers who, out of ignorance," rebelled at "2 of the country's 74 [as received] military installations."

During the conference, Gramajo was accompanied by Deputy Defense Minister General Guillermo Arturo de la Cruz, Defense Chief of Staff General Manuel Antonio Callejas, and the commanders of Guatemala City's most important bases and brigades.

Gramajo said he declined to reveal the names of the two coupist generals "for reasons of ethics and for the sake of the investigation, because we are not in a hurry."

Meanwhile, the Guard of Honor and the Tactical Group of the Guatemalan Air Force, FAG, have already occupied the main highways leading into Guatemala City from the east, south, and west.

Gramajo reported that the troops led by the rebel officers moved out stealthily aboard private trucks "early in the morning," but they were controlled "while enroute."

The military forces advancing toward the capital, presumably deceived into thinking they "were on their way to back the government," were intercepted by loyal troops commanded by top defense officers.

The minister said: "Upon observing the irregular troop movement, we put into operation our control measures and succeeded in checking them before they had moved 50 km away from their military bases. First we established radio and then physical contact with them. No confrontation occurred."

"I do not accuse any political parties or civilians, but radical people," Gramajo said. He added: "The leaders of the rebellion are being investigated and interrogated."

The minister "refused" to mention specific political parties or reveal the names of the civilians involved in the uprising. He said, however, that the preventive movement of troops and the police at the capital and on the highways leading to it "is normal."

Gramajo said "Guatemala lives in a climate of democratic transition" but "the people who attempted to destabilize the government have pressured the Army" even before Cerezo assumed office on 14 January 1986.

The minister said: "Some sectors, who are radical because of their inexperience," wanted to assume the country's political, administrative, economic, and social leadership."

He added: "Some retired officers, who are not familiar with the Army's inside aspects, have obviously been manipulated. We cannot approve this carelessness, but we do not oppose it, because this is what we call democracy's painful childbirth."

He said further: "There are apparently radical forces who do not want this child (democracy) to leave its mother's womb. Apparently, only the Army is making an effort to keep it alive."

Gramajo also said "the government was not aware of this act of indiscipline," but "the Army keeps a watchful eye." He denied that Cerezo got any wind of the imminent rebellion, even after he coincidentally visited Retalhuleu, one of the bases that rebelled.

The minister, who reported the attempted coup to the president "during a Cabinet meeting," said, "There are no government plans to establish a state of emergency," because "everything is under control."

He lessened the importance of the communiques issued by "the Officers of the Mountain," presumably a military sector dissatisfied with the government and "the corrupt top military leaders."

Minister Gramajo said: "Those are not Army officers but civilians. But, should there be any military man among them, he would surely be retired."

He indicated "the radical groups are doing fruitless work by provoking a small rift in the Army. This brings about only discharges and imprisonment."

He asserted that the Army, committed to maintaining democracy in Guatemala, "is prepared to prevent" any attempt at stopping the process.

Civilians Involved

PA1205011788 Guatemala City Cadena de Emisoras Unidas in Spanish 0036 GMT 12 May 88

[Text] Guatemalan Government sources have reported that 15 civilians are involved in the foiled coup that originated at the Jutiapa and Retalhuleu military zones. The Defense Ministry will provide a list with the names of the civilians to the Prosecutor's Office in a few hours so they can be indicted, the sources said.

The sources also pointed out that the two officers who led the rebellion early this morning said they had been prodded on by 15 civilians, who reportedly told the officers it was necessary to overthrow the Vinicio Cerezo regime because it was too closely linked with the communists and because he tried to turn the National Police into a shock force to use against the Army.

It was reported that Colonel Gustavo Adolfo Padilla Morales, second in command at the Jutiapa military zone, is one of the two officers detained by troops loyal to the government.

It was said Padilla Morales headed the troops moving from Jutiapa to the capital. General Otto (?Wedi) Ponce, Army Inspector General, ordered Padilla Morales to abandon his stance. The rebel officer was then taken to a Guatemala City garrison, where he was questioned on the causes for the uprising.

Political Leaders Comment on Failed Coup

President Cerezo

PA1105230788 Guatemala City Radio Fabulosa in Spanish 2103 GMT 11 May 88

[Speech by President Vinicio Cerezo at a Rotary Club luncheon at the Guatemala Club in Guatemala City on 11 May—recorded; broadcast in progress]

[Text] ...until that moment (?there was) a prolonged period of stability. [Words indistinct] some in good faith; some perhaps in bad faith; and others simply and exclusively [words indistinct] democratic system have been trying to sow some unrest among Army officers.

This morning, an irregular action was provoked. I would say it was an act of [word indistinct] rebelliousness. Two or three officers at the Jutiapa base and two or three officers at the Retalhuleu base took a group of soldiers [words indistinct] and decided to come to Guatemala City to suggest a discussion. (?We sent) delegates. They talked among themselves and the conclusion was reached that there was no reason to suggest this discussion [words indistinct] other mechanisms. Thanks to God this was solved without any violence. We have not had to take any repressive action of any kind.

The officers returned to their base. They swear they could prove that some people had suggested to the officers at the base at Retalhuleu to come to Guatemala City to exert some pressure to change some attitudes which, according to some officers, were a danger to the democratic process—such as the relations with Cuba, the possibility that some institutions were being infiltrated by communist ideas—and the need to discuss some purely judicial decisions regarding some people who had been involved in past subversion.

Something different had been suggested in Jutiapa. It had been suggested that they come to Guatemala City to back the democratic process because there were problems in Guatemala. We feel that the intention was to create (?the impression) that there was a great mobilization of troops, to create a negative reaction in Guatemala, and, therefore, to provoke a situation of instability in the government. Things did not go beyond this.

(?We do have) a problem and it must be resolved. We do not want to keep a lid on this; we want the problem to be known to everyone. I feel this problem is the result of certain attitudes that have caused the appearance of ghosts that have always scared us [words indistinct]. The guerrillas suggested their solution. They suggested a break with our traditional system and the establishment of a revolutionary regime, communist in nature. However, anyone who tries to make changes is described as a communist. Private businessmen who treat their workers correctly, farm owners who pay good wages, and politicians who feel that social peace in Guatemala can only be achieved after the economic situation of the masses is improved have been called communists. Most of you present at this meeting have faced this situation.

However, the democratic process opened the doors to the debate of all topics. It placed no restrictions on anyone who wished to express his feelings. This has also allowed some people to speak without [words indistinct]. This does not mean that we are going to restrict freedom of expression. As you will be able to see, we are not even going to suggest the possibility of the establishment of a state of emergency.

I think that what happened today within the Armed Forces is something that already happened in all the other institutions throughout the country. It had to happen. The unions have gone on strike; even the Red Cross workers went on strike—something no one ever expected; the judges went on strike and formed their own union—today a judge cannot be fired by the president of the court. Dissatisfaction has been expressed by almost every sector. In the past, these expressions were curbed with violence, repression, and fear. Today, some officers expressed their dissatisfaction and their views must be taken into consideration and discussed. Only in this manner will we be able to find out whether we overlooked their problems while working to improve our democratic process. We may have overlooked the fact that the Army officers, who have guaranteed and

strengthened this democratic process, are also human beings. They feel [words indistinct] and deserve an explanation for certain things that are happening within the country. Therefore, what happened within the Armed Forces is quite normal.

We have problems, we have had problems, but this is normal. The democratic governments do not [word indistinct]; all truly democratic governments have problems. These problems can be resolved if they are objectivity dealt with on a timely basis and with [words indistinct]. I would even add that we should have a relatively flexible attitude toward the people who [words indistinct]. There are some people who are constantly (?distorting) information in an attempt to create negative reactions among the Guatemalan people. They are trying to undermine a democratic process that has done [words indistinct] clear as a whistle and open; a democratic process in which everyone can express their opinion [word indistinct]. Probably the only mistake this government has made is not to listen to them closely and clearly explain things so that everyone could understand what we are trying to do. [Words indistinct].

Today something happened. At this moment all is calm and there has been no need to adopt other measures. However, I am calling on everyone to think a little.

Further on Cerezo Remarks

PA1205011088 Hamburg DPA in Spanish 2332 GMT
11 May 88

[Excerpts] Guatemala City, 11 May (DPA)—Guatemalan President Vinicio Cerezo Arevelo stated to DPA today: "The president will always be at his post. They will not take me alive; perhaps they will take me some other way." The president was referring to this morning's aborted military insurrection. [passage omitted]

President Cerezo gave a conference on Guatemalan institutionalization at the Rotary Club this afternoon and he referred to the aborted coup d'etat.

Cerezo reaffirmed reports he had made some days ago that Guatemalan extreme right-wing sectors had been trying to contact Army officers to propitiate a coup d'etat.

"According to the information we have, the coup had been planned for 5 May. However, because of unknown circumstances, the coup did not take place until today," said the president.

He added that troops headed by Jutiapa and Retalhuleu officers started moving toward Guatemala City to address the government and discuss matters that annoyed them because they did not have proper information.

The president mentioned that among these matters were subjects related to Cuba and the proposals for a dialogue between government and the rebels.

Cerezo added that the rebels had been intercepted by loyal forces before they got to Guatemala City, and "our delegates" convinced them to return to their bases.

The president stated that his government has been in power for 2 years without encountering any sort of problems with the military sector and that problems have appeared because of "the revival of ghosts such as the ghost of communism."

He added, however, that "officers' dissatisfactions are worthy of consideration because they, as other sectors within the country, think and have the right to state their concern for Guatemala."

The president stressed that "for many years, the Army has been the spinal cord of Guatemalan stability." Addressing the Rotary members, who included some politicians and businessmen who have strongly criticized his government, he asked them to channel their efforts in favor of Guatemala.

He said that political stability is essential to advance the economic and social programs that will bring benefits to the country and that the trust of the private sector is essential for Guatemalan development.

He added, "However, in the democratic game present in Guatemala, disagreements are allowed, as my government has successes and failures." But what is important is that this government may be allowed to work so the next one, whoever it may be, may continue working for social benefits for the country's great majorities.

Vice President

PA1105221288 Madrid EFE in Spanish 2110 GMT
11 May 88

[Text] United Nations, 11 May (EFE)—Guatemalan Vice President Roberto Carpio stated today that the attempted military insurrection in his country was a simple case of "unrest" in a couple of areas. Carpio said he had talked on the telephone with Guatemalan President Vinicio Cerezo, who told him that the incident was "totally under control."

Some time before leaving for the UN General Assembly—which is presently debating an economic aid plan for Central America—Carpio reaffirmed that Guatemala "continues marching toward democratization," and added that today's incident in his country "is only an obstacle on the road to democracy."

"It was only a very mild (insurrection) attempt. If this were not the case, I would not be here so peacefully; I would be on my way to Guatemala," he said.

The Guatemalan vice president stressed that the subject presently occupying his attention is Central America and noted that the countries in the region "have shown they can reach agreements despite ideological discrepancies."

Legislative Leaders

PA1105193788 Guatemala City Radio Fabulosa
in Spanish 1849 GMT 11 May 88

[Text] At noon today, the leaders of the Guatemalan legislative factions condemned today's attempted military rebellions in Retalhuleu and Jutiapa.

After a 2-hour meeting during which the congress discussed the current situation in depth, the legislative faction leaders issued a communique condemning the actions carried out early this morning. They stated that the nascent Guatemalan democratic system must not be suspended, because it would result in the deterioration of social, economic, and political relations.

In addition, the legislative faction leaders requested a meeting with President Cerezo to express their rejection of today's rebellion and to discuss the current situation. According to them, this is not the first coup attempt against the government; therefore, it is necessary to end the people's psychosis.

The topics the congress leaders will discuss with President Cerezo include the formation of a peoples and pluralist government. This means government policies will have to be discussed by all sectors to meet general demands. The legislative faction leaders concluded that this is the only way government institutions will be strengthened.

Opposition Leader

LD1105221788 Madrid Domestic Service in Spanish
1800 GMT 11 May 88

[Text] [Announcer] Our Colleague Gloria Del Campo has just spoken to an opponent of the Guatemalan regime, have you not?

[Del Campo] Yes, the leader of the main opposition party in Guatemala. Jorge Carpio is the secretary general of the main opposition party in Guatemala and happens to be in Madrid at the moment. His party is the Union of the National Center which was created 5 years ago. Jorge Carpio was in second place in the last presidential election, the election won by the current president, Christian Democrat Vinicio Cerezo. We spoke to Mr Carpio a few minutes ago and asked him what information he had on the present situation in his country:

[Begin recording] [Carpio] Well, frankly, the reports which I have are somewhat disparate, as they are for almost everyone, including the press here in Europe I should think. However, it seems that there was an attempted coup, a rebellion by two barracks, one in the

city of Retalhuleu and the other in the city of Jutiapa in the east of the country. Apparently, it was just an attempt because it was put down by the Army.

[Del Campo] What internal or external situation in Guatemala do you think was the cause of today's uprising?

[Carpio] Well, it seems quite odd because there are insufficient grounds to think that there could be an uprising or coup. In Guatemala we are all perfectly aware of the fact that to break with the country's institutional process would be extremely negative and very costly for the country. My political party, the Union of the National Center, participated in building this democratic process and, obviously, we completely oppose a coup. So, I give my complete support to the democratic process and the democratic system which we are creating. [end recording]

Foreign Minister Cuts Short Caribbean Tour
PA1205031688 Buenos Aires REUTER in Spanish
0212 GMT 12 May 88

[Excerpt] Bridgetown, Barbados, 11 May (REUTER)—Barbadian Foreign Ministry sources reported that Guatemalan Foreign Minister Alfonso Cabrera Hidalgo interrupted his Caribbean tour today and returned home after receiving word of the attempted coup against President Vinicio Cerezo. Cabrera headed a 7-member delegation that had just ended talks with Barbadian Foreign Minister Sir James Tudor and other officials. The delegation had already visited Jamaica and planned to travel to Trinidad and Tobago when it received news of the aborted coup. [passage omitted]

Honduras

Government Condemns Guatemalan Coup Attempt
PA1105185788 Panama City ACAN in Spanish
1755 GMT 11 May 88

[Excerpt] Tegucigalpa, 11 May (ACAN-EFE)—The Honduran Government today "repudiated" a rebellious military attempt against Guatemalan President Vinicio Cerezo and reiterated its permanent support for the Guatemalan democratic process that began in 1986.

Presidential Press Secretary Lisandro Quesada told ACAN-EFE that he did not have too much information on the march that some members of two military zones began toward Guatemala City to try to overthrow President Cerezo, but that the sole attack on the Guatemalan democracy is "absurd and must be condemned by all other democracies."

Quesada added: "Honduras will support the Guatemalan democratic system, which was fully supported through the Esquipulas II agreement."

Quesada added that Honduran President Jose Azcona will talk to his Guatemalan counterpart later today to reiterate Honduran solidarity with the Guatemalan democracy. [passage omitted]

Nicaragua

Government Protests Proposed U.S. Contra Aid
PA1205043288 Managua Domestic Service
in Spanish 0300 GMT 12 May 88

["Text" of protest letter sent by Foreign Minister Miguel D'Escoto to U.S. Secretary of State George Shultz—issued in Managua on 11 May 1988]

[Text] According to reports published in THE NEW YORK TIMES on 10 May 1988, AID officials declared during a news conference that there is only one alternative: to give the contras money so they can obtain food. The money would be distributed in cordobas to the contras in Nicaragua and in dollars to the contras in Florida. They cautioned that U.S. agencies would try to keep an eye on expenditures.

I must again protest strongly in view of the irresponsible intention to resort to this illegal mechanism aimed at giving aid to the contras in flagrant violation of the Sapo agreement and the Esquipulas II agreement; a mechanism that ignores the Nicaraguan Government's proposal that the International Red Cross Committee—the leading humanitarian institution—be in charge of delivering aid to the irregular forces.

In previous notes I have explained to you extensively the justified reasons the Nicaraguan Government has to characterize as illegal the so-called humanitarian aid that is being channeled through AID to sabotage peace efforts and to fuel the war against Nicaragua.

OAS Secretary General Joao Clemente Baena Soares, speaking as a member of the Verification Commission—the only commission created by the two sides under the Sapo agreement—has said that he cannot be held responsible for verifying actions that are not in accordance with the objectives of the agreement nor with the reasons for which it was drafted.

In addition, I must add that the plan to give Nicaraguan currency to the contras is a flagrant violation of the laws of the nation, especially Decree No 307 of 14 February 1988. Article 3 of this decree establishes restrictions on the introduction of cordobas to the country.

In addition, I must point out that the delivery of cash to the contras cannot be characterized at all as humanitarian aid. In accordance with the Sapo agreement, humanitarian aid is food and basic supplies for irregular forces, but not cash.

It must also be pointed out that there is no guarantee on what will be done with those funds. At the news conference, the AID officials admitted they have no way of completely controlling how the contras would use the money in Nicaragua.

Finally, you cannot ignore that the delivery of such aid would represent a deeper involvement in the use of Honduran territory as a launch pad for your government's illegal policy. As the AID officials admitted, most of the money would be given to couriers in Honduras who would then take it to Nicaragua.

Managua, 11 May 1988

[Signed] Respectfully yours, Foreign Minister Miguel D'Escoto Brockman

Ortega on Contra Aid, Future Cease-Fire Talks
PA1105230488 Managua Domestic Service
in Spanish 0300 GMT 11 May 88

[News conference held by President Daniel Ortega Saa-vedra with unidentified reporters; date and place not given—recorded; broadcast in progress]

[Text] [Ortega] ... Sapoa is based on the Esquipulas agreement. There is no basis for this [no further elaboration], because we proposed to the contras [words indistinct]—and we reiterate that proposal—the immediate delivery of humanitarian aid by the Red Cross, even before their forces gather in the special zones and before an agreement is reached on the modus operandi. In other words, while the modus operandi is being discussed and an agreement is reached on the zones, while a final cease-fire agreement is signed and definitive peace is achieved following the laying down of weapons by the contras, we have agreed to permit the immediate delivery of that aid through the Red Cross.

[Reporter] Is there any difference depending on whether the aid is in cash or food? Could the money be used for other purposes?

[Ortega] The problem here is that the Sapoa agreement is being violated. The United States is ignoring that agreement, and therefore, instead of strengthening a negotiated, peaceful solution, they are jeopardizing and violating the agreements. Logically—as they have been doing in Honduras—while sending the so-called humanitarian aid to the Toncontin Airport under the alleged supervision of the Honduran church, they have also transported weapons from Swan Island to contra bases in Honduras.

[Reporter] In your 1 May speech you said that if no agreement is reached by the end of this month a large-scale operation could be launched. Do you reaffirm that position?

[Ortega] We are determined to defend our nation. We have taken important steps in favor of peace by stretching our hands to those people so they can join the peace process in the country. The deadline for the suspension of offensive operations will expire on 30 May. We have proposed a 30-day extension. Logically, if no positive reply is received, there will be no other alternative than to continue with the military confrontations.

[Reporter] There were reports from Honduras today on fighting among the contras and also on the deepening of the divisions among them. What are your comments on this?

[Ortega] Well, that is nothing new. We all know of the divisions that exist among the contra forces. We also know that there are several armies in Honduras, which are being used by the United States: the U.S. Army, the Honduran Army, the contra army. Honduras is being [words indistinct] and this is proof that Honduran territory is being used for clashes between various contra factions.

[Reporter] I must stress that this time there was shooting among the contras.

[Ortega] This is not the first time that has happened. There have been several clashes among them before.

[Reporter] This may seem a technical question, but it is important from the U.S. Congress' standpoint: Who will shoot first on 31 May?

[Ortega] Let us wait for the meeting between the Nicaraguan Government and the contra delegation. We are already talking with them, have been in contact with them during the past days to determine the date for the next meeting. The possibility of extending the truce should be discussed during that meeting. Of course, it will depend on whether or not a definitive agreement is reached. If a final agreement is reached during that meeting, there will be no need for extending the truce, but if no final agreement is reached at that meeting, it will be necessary to extend the deadline. So we must wait to see what happens at that meeting.

Reportage on Yemeni Party Leader's Visit

Al-Bid Addresses Assembly
EA1105194388 Aden Domestic Service in Arabic
2245 GMT 10 May 88

[Text] On Tuesday afternoon brother 'Ali Salim al-Bid, secretary general of the YSP [Yemeni Socialist Party] Central Committee, addressed a special session of the Nicaraguan National Assembly held in his honor and that of the visiting delegation.

He explained that the purpose of his visit to the Republic of Nicaragua is to develop relations between the two friendly countries. He pointed out that our party and

people follow with great satisfaction the glorious struggle of the heroic Nicaraguan people. The secretary general talked about the revolutionary experience in Democratic Yemen and reviewed its most important lessons. He stressed the importance of forming national and social alliances, of consolidating the internal front, and encouraging the masses to participate actively in political life. He spoke of the need to distinguish between friend and foe on a global level. He said that these lessons were recorded in party documents approved by the general party conference.

In his speech, the secretary general talked about the situation in the Arab peninsula and Arab Gulf as well as in occupied Palestine. He affirmed the PDRY's [People's Democratic Republic of Yemen] solidarity with national liberation movements in Africa and Latin America.

Cooperation Accord

LD1105195288 Aden ANA in Arabic 1330 GMT
11 May 88

[Excerpt] Managua, 11 May—A joint cooperation agreement between the YSP [Yemeni Socialist Party] and the Sandinist National Liberation Front was signed yesterday afternoon. On the Yemeni side, the agreement was signed by Comrade 'Ali Salim al-Bid. On the Nicaraguan side, it was signed by Comrade Daniel Ortega, head of the Executive Committee of the Front and president of the Republic.

Comrade 'Ali Salim al-Bid delivered a speech in which he expressed satisfaction at the signing of the agreement and the similarity of views expressed during the talks. He gave an assurance of our country's support for the Nicaraguan people and the Sandinist Front. He also expressed confidence that cooperation between our party and the Sandinist Front, between our peoples and countries, would develop in the future.

Two agreements on cooperation between the Ministries of Foreign Affairs and defense committees in both friendly countries were signed at the same time. On the Yemeni side the agreements were signed by Comrades 'Abd al-'Aziz al-Dali, member of the Central Committee and foreign minister; and 'Umar 'Abd al-Samad, member of the Central Committee and head of the national leadership of the organization of People's Defense Committees. Their counterparts signed on behalf of the Nicaraguan side. [passage omitted]

Correction to Ortega's Labor Day Speech

The following correction pertains to the item headlined, "President Ortega Delivers Labor Day Speech," published in the 2 May Nicaragua subsection of the Latin America DAILY REPORT, pp 25-27:

Column one, paragraph one, line nine: ...we ended with "Operation Danto." We have proposed... (changing "Operation Goose" to "Operation Danto")

Same column, same paragraph, penultimate line: ...with which our "Operation Danto" is going to... (changing "Operation Goose" to "Operation Danto")

Panama

Reagan, Noriega Reportedly in 'Direct Contact'
PA1205025188 Panama City Televisora Nacional
in Spanish 0210 GMT 12 May 88

[Excerpt] Very reliable sources have informed Televisora Nacional that U.S. President Ronald Reagan has made direct contact with General Manuel Antonio Noriega. Following these contacts, Reagan sent a special delegation to talk to the commander in chief of the Panama Defense Forces in an attempt to find a solution to the current crisis, which is the result of the U.S. Government's actions against the Panamanian Government. According to the information Televisora Nacional received, the contact between Noriega and Reagan is direct. Gen Noriega has said there can be no solution if the military aggression and violation of Panamanian sovereignty continue. Noriega said there can be no solution if the Panamanian people do not participate in this solution, because the principle of self-determination of the Panamanian people is not negotiable. [passage omitted]

Solis Palma Address in Chiriqui Province
PA1105182988 Panama City Domestic Service
in Spanish 1604 GMT 11 May 88

[Speech by President Manuel Solis Palma in David, Chiriqui Province, at the Provincial Government Building—live]

[Text] Mr Chiriqui Province Governor, Messrs Ministers; Vice Ministers; Yolanda Pulice de Rodriguez, president of the Electoral Tribunal; Major Luis Del Cid, chief of the 5th Military Zone; Honorable Legislators, Representatives of Corregimientos; National Central Organization of Panamanian Workers; Panamanian Central Organization of Transportation Workers; National Palm Oil Enterprise; Confederation of Workers of the Republic of Panama; National Union of Small and Medium Enterprises; Independent Banana Workers Union; Revolutionary Panamanian Youth; People's Organization Coordinating Board; Municipal and Provincial Authorities; Mr Ramon Sieiro, Labor Party secretary general; Directors of autonomous institutions; special guests, ladies and gentlemen:

Those who have addressed you before me have briefed you on the country's current situation and the condition we are enduring today because of one of the most violent

and unjust attacks by one of the most powerful nations in the world against a small republic that has always behaved in a friendly and respectful manner toward the aggressor country.

We have been victims of all sort of outrages, of all sorts of economic impositions, to the point that an ambassador from a friendly Latin American country was telling me he believed that in Panama we have a situation like that faced by the victims of one of the worst earthquakes a country may suffer. Earthquakes destroy houses and create misery. However, we who have not suffered that kind of earthquake have suffered the attempts to destroy all the economic bases. Such attempts constitute an economic earthquake that is often more violent than the physical earthquakes that occur in other nations.

There was an attempt to humiliate and to destroy us, to subdue the spirit of the Panamanian people and Government. They have not accomplished their goal. They have not succeeded, basically because there has been much understanding and an unyielding determination by large sectors of the Panamanian people. The government and the Defense Forces—headed by their commander, who is the man they wanted to destroy—have also made a decision. Thanks to them today we have endured this crisis for 76 days.

When we had been facing this crisis for 48 days, I was talking with another ambassador from a friendly nation, who told me that despite his knowledge of the reality prevailing in Latin American countries, and despite his knowledge of U.S. power, he never thought we could resist for 48 hours an attack of this nature. When we were talking, I mentioned that we had faced the attack for 48 days, which is an example for all countries in the world, including the ambassador's country, which has struggled tooth and nail against imperialism.

To survive, we—the government and the people—have had to manage the situation in many ways. We began with the food bags to help the government employees who were not receiving their salaries at the time. This was extended beyond the government employees, and the food bags also reached the poor homes. We established a new method of helping the most needy sectors of the Panamanian community. These bags, which were not well received the first 2 or 3 days, were subsequently in great demand among many sectors of the country. In this way, we began to solve the problem of the daily food in the Panamanian homes. Later, the people's markets and the supply centers were established in Panama.

I want to state that this method, this way of working emerged not only in response to the external aggression but also to the internal aggression when the supermarkets closed their doors, when those who had the responsibility for providing food to the Panamanian people closed their doors. We were able to maintain the supplies for large sectors of the Panamanian people through these new methods. I want to reiterate that these methods will

be maintained even though the supermarkets have reopened, because this is a way to quickly send inexpensive food to all those sectors of the Panamanian people. Even when we begin to pay the salaries the food bags will continue to be given to the popular sectors which have no jobs because this is a way to reply to the needs of the people whom we all love. [applause]

The deep crisis that we have been overcoming is being resolved. In the beginning when we were practically isolated from the world, there was confusion. The power of the U.S. information machinery, which did not inform but disinform, created a situation of total confusion in all the countries of the world. With the exception of two or three Latin American countries, all the other sister countries suspended their relations, not their diplomatic relations, but they totally cooled their relations with Panama. It was 10 or 12 days before these countries began to understand the truth about Panama. We made deep mistakes in our government structure. Many of our ambassadors did not assume the role they should have played. There were several of them who, when asked to provide correct information, stated that they did not know the truth about Panama and that they simply preferred to remain in their homes because they could not answer the questions from journalists in the countries where they lived. There was an absence of defense from our own people, our own diplomatic corps abroad. Some of them openly fought us and they joined the campaign of disinformation. They thought that no one could face the colossus of the north without succumbing so they preferred to be on the side of the powerful and not on the side of those who would lose everything because they thought that we could not be in the presidency more than 15 days, that the government could not survive more than 15 days because no small- or medium-sized country had ever resisted the U.S. aggression more than that time.

I think that the Panamanian miracle has occurred. We have already resisted 76 days, we are firmer each day, and solutions are closer, thanks to the spirit of the Panamanian people, of the popular sectors, of many businessmen and of a government that did not become intimidated by the aggression.

There have been changes of some magnitude within the U.S. public, from where we were attacked for over 1 and 1/2 months. Everybody was against Panama. Never before had the three or the four U.S. Government branches joined to attack a small country. The Congress, the Executive Branch, the press, and also the Judicial Branch joined forces to destroy the Republic of Panama. We all know about the regrettable phrase: If we must sink the boat to capture the captain, we will sink the boat. Oddly enough, that boat is the Republic of Panama, the Panamanian people. However, after uttering that phrase, they are trying to assume power in this Republic, in a country they have attacked and led to a sad reality. They

thought this would be the end of the Republic of Panama in order to maintain their power, which they have not handled correctly. [sentence as heard]

The international public began to change its position. The first sign, the first call to the world was SELA's resolution in Caracas, where a consensus of Latin American and Caribbean peoples supported the Panamanian position, and criticized and condemned U.S. aggression.

Subsequently, the 77 poorest and most underdeveloped countries also condemned the U.S. attacks. Later on, the 101 countries in the Third World condemned the U.S. aggression. ECLA, which is made up of 25 countries, also condemned the aggression. Now, all the congresses in the world have started issuing resolutions condemning the U.S. attitude.

At the same time we are beginning to receive signs of support from some countries. Cuba sent medicine, Nicaragua has sent aid, Mexico is also sending aid. Some of the SELA member countries are coordinating actions in order to send aid. In Venezuela there is a drive to collect medicine and staples to send to Panama. Everywhere on the American Continent and in Europe, too, the Panamanian problem is being viewed as a fundamental and serious problem, as a reply to U.S. imperialism.

The only thing we have from Cuba are medicines. Today, we were surprised to learn of a statement by U.S. Defense Secretary Carlucci, who has said he is concerned over the presence of Cubans in Panama. The only Cuban presence in Panama is inside the bottles of medicines they sent to us. It has been said that there are thousands of Cuban soldiers in the province of Chiriqui, but you are the first to know that this is a lie, just like the others they have been telling during the months they have been attacking Panama.

The banks have changed their attitude. Those same banks that reopened Monday said only a few weeks ago, a few days before they resumed their operations, that they would not open because the problem of the banks was a political one, and that banks could not reopen unless the political problem was resolved, as one was dependent on the other. However, the banks reopened, and the Panamanian people, showing extraordinary control, have gone to the banks without creating disorder or difficult situations. Monday and Tuesday went by, and even today there are no signs of any unusual activity. This, despite the fact that some organizations that should be the guiding star of Panamanian patriotism, such as the associations of educators, teachers, professors, and doctors, urged their members to go to the banks to withdraw funds, to create problems. However, there was no response, because the Panamanian people's conscience and patriotic struggle come before the desire for power and the bitterness of some leaders in our country.

We must assume and face certain responsibilities, and not only because of the recent developments and the Panamanian people's attitude, which already makes us feel committed to them. We must strengthen the democratic process. We must perfect the democratic process. However, democracy has many aspects. It has a political angle, which is very important. In that sector—democracy's political aspect—we give our word that there will be free elections. Moreover, we promise that there will be elections in May.

There will be an election of a president, vice president, and legislators on 7 May 1989. No one is going to make us change our minds. We are willing to talk with all sectors of the country in the search for national unity, for the national agreement to move the country forward, to take it out of the stagnation in which it finds itself—but from which there is already great recovery—and to make this a prosperous country with an economy that will permit the satisfaction of the basic needs of all sectors of the Panamanian community.

We believe in freedom of expression, and we will try to provide freedom of expression. This forms part of the political aspect of democracy. However, it must be a freedom of expression in which truth will be told, without slander, with respect for individuals, with news that is instructive and not to confuse and to destroy the peace of the Panamanian people. There is no freedom of expression if the press is used to create chaos and incite rebellion. No country in the world accepts that. Freedom of expression must be combined with responsibility in the use of the press, radio, and television. Television and television technology cannot be used to create false, deceitful, and arranged images. The press cannot be used to lie. The radio cannot be used to slander and lie. There must be freedom of expression but it must be respectful, serious, and responsible. We do not demand that it be a submissive press, television, and radio. However, it should not be a press, television, and radio at the service of the infamy against Panama. [applause]

However, there is another freedom and there is another democracy. That is economic democracy, the real opportunity to have a successful economy. We have never had economic democracy in Panama because we have always been led to be concerned about political democracy, but never about economic democracy in this capitalist country, which we maintain should continue being capitalist. We belong to that orbit. We are in the capitalist orbit. However in this capitalist country the real possibilities to be successful in the economy do not exist. There are only examples of exceptions and it is not the general rule to see the poor son of the people become rich. However, he had to suffer and struggle. In this system, which is much like feudal capitalism in which someone manages an enterprise not because of his ability but because he is the son, grandson or brother-in-law of the owner; in that feudal system in which one gets ahead because of family ties and not because of one's ability, when a poor individual is successful it is because he has had to cover

a great distance. It is an unequal race. He has not set off from the same starting point. One individual starts very far away and the other is already close to the finish line when he sets out. Who is going to win? The latter can walk and the other can fly but he still will not catch up to him because the distance separating them in the economic aspect is very big. This must be radically changed because if this is not changed, there will be no economic democracy [applause].

To speak of political democracy without economic democracy is not to complete the democratic action of a country. There is no social democracy. The differences are huge precisely because of that lack of economic democracy. To go up in the social scale is a very difficult and hard problem for some while others are already born on the top—they do not need to do anything or make any effort.

We do not have educational democracy. We have now proven the lack of educational democracy. There is no democracy in education. Now that the schools have been unable to open because of well-known reasons, only a small group of Panamanians has been able to go abroad: some to Costa Rica, others to the United States and to Mexico. They have been able to go abroad but the vast majority of Panamanians have had to stay in the country waiting for the reopening of the schools because their real opportunity of going to school is very different. We are not criticizing those who have gone abroad. We feel sorry for those who do not have that same opportunity. [applause]

There is no health democracy. The poor person who gets cancer dies here because he cannot be saved. He cannot go to Houston or other countries because surgeries of 20,000 and 30,000 balboas are not within the reach of the poor.

The entire health system does not provide coverage in an equal manner for all. If democracy means equality of conditions, of opportunities and of everything, then there is no democracy in this regard. Therefore, improvement of democracy demands actions in all aspects. A few days ago, I said at Atlapa that I was very concerned when the media and reporters always asked: When will the media reopen? When will the QUIUBO reopen? However, no one ever asked: When will you give food to the many hungry people in this country? Their concern is to write—many times false reports—in the press. They have no concerns about Panamanian people's basic needs. [applause]

If we want democracy, let us see democracy in all its difficulties and its overall implications in all its aspects. Our goals should be directed to this, which is not an easy task. It is a very hard and difficult job. We have to educate people to achieve this democracy. To accomplish this goal, we have to change the entire concept and scope of the administrative and economic structures. It is absolutely necessary to have the highest possible

administrative efficiency. This means responsible attention by each and every person, from the janitors to the heads of the ministries. They must all do their best for the benefit of the Panamanian community to which they must belong and to which they must respond to.

There must be administrative efficiency. Work must be done expeditiously, and the public—which supports public employees at their posts—should be treated with courtesy, efficiency, and with a smile. Public workers should not continuously despise the public. [applause] People deserve respect, consideration, and admiration. Honesty must prevail in the administrative sector. We cannot continue watching the poverty of others while we use the state resources for our own purposes. That cannot continue. Government officials from all state institutions, wherever they are, cannot continue stealing office property to sell it or take it elsewhere. [applause]

These are undeniable principles of the government we started some 60 or 76 days ago. I hereby ask the community to continuously report, because people become accomplices many times when they do not report actions but let others take them anyway and remain silent. That is being an accomplice. Therefore, there can be no complicity, either by the governor, the chief of the [military] zone [crowd laughs], or the mayors, [applause] the Corregimiento representatives [applause]. [crowd shouts: "Long live Solis Palma"] [applause]. Thank you very much.

Gentlemen, to allow these actions would be against, particularly at this time, our struggle for the country's dignity and sovereignty. It is necessary that the governor, the chief of the [military] zone and all their personnel, the Corregimiento representatives, the corregidores, the community board members, and everyone else must continuously report whenever official vehicles are used on holidays or any other day for a ride. The chief of the zone should take them away and let those people, wherever they are, return home on foot. [applause]

If a person is using an official car to go on an outing, that car should be taken away from him and he should return on foot or by other means. [laughter, applause] But that car should be taken away from him. It is essential that this be done. Public morality should be established. We have to act in view of this situation. At the same time, we have to draw up a central plan that will serve as the basis for all government actions. This way we will all act in a coordinated way, each person in his own area but starting from a central point. This will allow us to reach a central point through diverse actions. [sentence as heard] To do this we have to draw up working hypotheses, prove them, and then establish plans of action. The Planning Ministry has already presented a plan that must be carried out by all the ministries and the appropriate sectors.

However, today we want to begin a method of proving our hypotheses. From our central point in Panama city, we and our technicians could think of things that do not reflect the real situation in each region or the country's overall situation. That is why we wanted to come here today and begin in Chiriqui, one of the most productive provinces, because the economic orientation of the Panamanian Government is to look toward the countryside as the fundamental basis for the country's present development. As a result of this, Chiriqui was the most advisable province at which to start, as the government minister so wisely decided. On Friday, we will be in Cocolé at an event that is not directly provincial but national with the commemoration of ...

[Solis Palma pauses briefly as unidentified person murmurs] The birth, I think, of Victoriano Lorenzo.

[Unidentified person murmurs]

What? The execution of Victoriano Lorenzo. On Wednesday, we will visit Veraguas and next Friday we will go to Los Santos, to continue these visits that we will be making twice a week in every province and in San Blas.

What do we expect from you? We hope that the governorships, the municipalities, and the technical officials in the provinces will start drawing up a development plan for the province, an action plan that will include your concerns. Such a plan can then be incorporated into a national plan in which we can identify the things that are common to all the provinces and those that are particular to each individual province. I hope that the Planning Ministry personnel can help you draw up the plan. They should not help you with the ideas because these should come from you, because you better than anyone else should know the situation in your province.

In each province, the plan should begin with the political-administrative division of districts. Throughout history, Panama has developed on the basis of the political-administrative division of districts. That is why when a well-known politician reached the presidency and tried to eliminate the districts and base development on the provinces, he failed because this would go against the historical development of Panama's political-administrative division. Because of its very particular characteristics, Panama's developmental strength lies in the districts. These districts form the province. All the provinces have many things in common but at the same time they have different things. That is why I believe the idea of creating the system of people's power, of the Corregimiento representatives, is the highest democratic political expression that has ever taken place in any Latin American country. It needs to be maintained and developed because it is the direct basis for understanding the communities at their most basic level. It is the means to make known the feelings and ideas of each of these

communities. I have always—for several years I have expressed open support for the people's power and I have expressed this to the Corregimiento representatives at each of their meetings.

I hope the Cabinet members will not miss one of the provincial meetings with Corregimiento representatives so that they are very close to and aware of the situation in each [words indistinct] down to the smallest area in our community. I want the ministers to always be there. I also want to advise them to meet with legislators and always be in touch with them, because that is another of our problems. There is a lack of coordination between the executive and legislative branches and coordination is essential, especially during the current situation.

We talked about the people's resources, which are deposited at the National Bank of Panama. I believe it is appropriate to explain that situation now.

Neither the National Bank of Panama nor any other bank in the world could withstand the withdrawal of all its funds, because the bank would be forced to close. If the bank has to save the money of its savers, it would be unable to pay interest and would only be collecting and saving money. However, if the bank pays interest on the money it is keeping and it grants loans for housing and business development projects, it is lending the money it collects, the money that people deposit. Bank reserves are directly related to daily money circulation; there is no other money. Bank reserves are a percentage of the money circulating in the bank.

If at a certain time people wish to withdraw all the money they have in banks, banks would have to sell all the properties they hold under mortgage, cancel all overdrafts, ask businesses to immediately pay and use up all their assets to meet the demand for money.

There is no cash in the National Bank of Panama. The National Bank does not have the cash for either the Corregimiento representatives or any other institution. The National Bank of Panama has enough backing for that cash. It has enough assets. It has over 60 million balboas frozen in the United States. The National Bank has been meeting government obligations and the government has over 20 million balboas frozen, because the canal and Petroterminales annuity payments have not been made to the government and Petroterminales. We have not received that annuity payment in 2 months. We usually receive between 5 and 6 million balboas for the canal and Petroterminales annuity each month.

The National Bank clearinghouse has a 26-million-balboa positive draft in favor of the National Bank, but banks do not pay that money in cash to the National Bank. That money is paid in transactions, bonds, and assets, but not in cash. The National Bank does not have enough cash because of the aggression we are facing. That money exists; it is frozen to a certain extent. When the National Bank begins receiving—we are already

receiving them—additional resources... [changes thought] We are already receiving cash and we will begin meeting all the community and public and private sector deposits with that cash. We will be able to pay our depositors when we have enough cash. We are trying to do it as soon as possible. Perhaps it will take 1 or 2 months, but we will have the cash very soon.

When that happens, Corregimiento representatives, mayors, municipal authorities, ministries, and all independent institutions—not ministries, because they are the central government—will have funds available for their activities.

The plans to build the Baru aqueduct have been suspended for the same reason and we are trying to find a way to resume the pending plan to construct aqueducts and sewer systems. On Monday, I attended a meeting at IDAAN and we discussed the need to resume all those projects. We hope to do it very soon. We already have some proposals we must finish up to carry out that work.

I want to ask Corregimiento representatives, all public employees, and the community in general to maintain the noble and patriotic attitude they have shown until now, because time is helping us.

Lies have gone away by themselves, and our present situation looks much better than the one we faced during the first 10 days in government.

I want to ask you for a little patience, because what we are doing in Panama will have effects we have not yet been able to determine. Today our government is viewed with enormous respect in other countries, and the initial confusion and criticisms have turned into admiration because of the resistance and capacity of the Panamanian people. A common expression is: Those are people we have not yet been able to understand because they have such a capacity to take the initiative, to resist, and to understand. All the other countries have said we are an example worth emulating. Panamanians have shown signs of being a strong people with dignity, who cannot be subjected to the whims of a power, no matter how big it may be.

We are waging a battle for the liberation of Latin America and of the small countries of the world, not only of Panama. In Panama, a new method of strangling a country is being tested. A new type of imperialism, a new form of eliminating a country is being tested; and all the other countries know it. Having your own currency is not enough. All countries have resorted to the United States as a financial center by depositing their money there even though they have their own currency. The backing for their currency is mainly in the United States itself. By having their money there, their economies could be strangled just as happened to Panama. It is a new criminal and aggressive method. Our resistance is defeating that type of aggression. We are making it fail; we are

making it less effective. By doing so, we are defending the rest of the Latin American countries and the poor countries that are subjected to a situation similar to ours.

When you begin asking your questions, I would like you to... [changes thought] Someone said the president would not answer the questions. No, I said I would speak first and then answer questions if necessary. [applause]

Let us try asking the best questions so we can take advantage of this meeting. This is our experiment. It is the first meeting we have held at a provincial level, and we want to see its results. We want to see if these meetings are useful so we may continue holding them and improving them. We hope this experience is useful for the Province of Chiriqui and the Panamanian community in general. I would like to thank all of you for your presence here, and I would like to reiterate to you my deep gratitude as a Panamanian and my pride as a Panamanian to be a part of this nation, of this people, who have great spirit and great patriotism. They have proven their courage, which is envied by the peoples of this continent and the world. That is why we should shout: Viva Panama! [crowd shouts: "Viva!"] [applause]

Foreign Ministry Confirms Closure of Consulates
PA1205012588 Panama City Televisora Nacional
in Spanish 0000 GMT 12 May 88

[Text] Panamanian Foreign Ministry sources today confirmed to the news agency PANAPRESS in our capital the closing of Panama's consular offices in the United States. According to the PANAPRESS report, the closing of the Panamanian consular offices has been ordered by the country's constitutional government because of the U.S. State Department's campaign of blackmail, harassment, and hostility against Panamanian consular officials. The sources said that once the consular offices in various U.S. cities are closed, no proceedings carried out in them will be legal in the Republic of Panama.

CRITICA Publishes U.S. Embassy Personnel List

PA1105185088 [Editorial Report] Panama City CRITICA in Spanish on 11 May on page 8 publishes an approximately 500-word unattributed article entitled: "The U.S. Embassy in Panama Has Enough People for Three Embassies."

The article states that the number of people in the U.S. Embassy in Panama is "excessive" and that it surpasses the number in U.S. embassies in other parts of the world. The article adds: "It has also been learned that in addition to the 92 duly accredited officials, 40 other people covertly work in the diplomatic mission. This situation has been growing in intensity as part of Washington's destabilization plans against our people."

The article concludes with a list of the names and positions of 92 accredited members of the U.S. diplomatic mission in Panama.

Finance Minister Sees Decline in Growth
PA1105212988 Panama City LA ESTRELLA DE
PANAMA in Spanish 11 May 88 p A-1

[Text] Orville Goodin, Panamanian finance and treasury minister, has said that in 1988 the country's economic growth will decline between 10 and 20 percent.

In remarks to local and foreign media, Goodin noted that Panama's current economic and financial morass is caused by recent U.S. Government actions. One of the harshest actions was freezing over \$50 million. This situation led to a stagnation in economic activities at all levels.

Panama is going to have to do something to move its economy forward, the minister said. He added that he feels that the country must balance its resources, especially the resource of its geographical location.

Orville Goodin added that the country's fiscal outlook is even more complex because the United States has not established the rules concerning U.S. companies in Panama. "To be sure, we are not waiting for that to happen; we are planning what we Panamanians will do," he said. He explained that a group of employees of several ministries and the National Bank is already working on this matter. It is assessing the results of the developments of recent months and what can be done. So far, "we have had to learn to live with what we have."

He was asked about the possibility of Panama renegotiating its foreign debt in the midst of this economic crisis. Goodin replied: "I am smiling because I am not thinking about that."

Goodin noted that even if the sanctions the United States has imposed on Panama were lifted today, the damage has been too great. He added that it is not affecting the government, but the country's poorest.

When asked if there is a possibility of cutting the government's payrolls, Orville Goodin said that the lack of access to foreign financing and the foreign exchange revenues of the Panamanian Government—something which is of the utmost concern—are the government's main problems

Government To Pay 13th Month Bonus to Workers
PA1105162588 Panama City Televisora Nacional
in Spanish 0300 GMT 11 May 88

[Interview with Comptroller General Francisco Rodriguez by unidentified reporter in Panama City on 10 May—recorded]

[Text] [Reporter] President Manuel Solis Palma announced yesterday that the government will pay the 13th-month bonus to its employees on Monday. Today we are going to talk with Comptroller General Francisco Rodriguez on the form of payment and on how much this payment entails for the government.

Mr Comptroller, in specific figures, how much does the payment of the 13th-month bonus entail for the central government and the decentralized institutions?

[Rodriguez] Following the appropriate regulations, the government decided to pay the first part of the 13th-month bonus, which, as you know, has traditionally been paid shortly before the beginning of the school term. On this occasion, the government has decided to distribute it on Monday. The total figure for the public sector is 18.1 million balboas for 150,000 employees of the decentralized institutions, the central government, and the municipalities. There are approximately 89,000 government employees in the central government, approximately 57,000 in the decentralized institutions, and the rest, almost 4,000, in the municipalities. The total of the payment for them amounts to approximately 18.1 million balboas.

[Reporter] Does the payment of this 13th-month bonus mean that the government has experienced an economic improvement?

[Rodriguez] Well, what this means is the faithful fulfillment of a specific government legal obligation to pay the first part of the 13th-month bonus. That obligation has not been affected. It is a government commitment to the government employees. With this payment, it seeks to at least partially help the government employees meet the needs they will face with the beginning of the school year. We can also state that at least during the first few days of May, there has apparently been some recovery if we compare this to the activity during March and April. In my personal view, this has been influenced by the opening of the banking system which has injected some monetary liquidity into the economy and has permitted enterprises, companies, industries, in short, the private sector to use a number of resources they have available in the banks and to at the same time resolve some of their basic needs.

[Reporter] There have been comments by the public that the government has become overdrawn in issuing checks. What can you clarify about this?

[Rodriguez] No, that is totally untrue. It is false. The government has been extremely cautious in issuing checks so that they will have sufficient backing from the revenue received from taxes or the sale of services. To give you an example, we can say that the central government and the entire public sector has issued checks during March and April for approximately 130 million or 135 million balboas. This has allowed payments of not only the payroll of all the public sector in the past 2 months but also the payment of basic needs for the operation of the government. This has also allowed the payment of some deductions in the public sector. [sentence as heard] At the same time, those 130 million or 135 million in checks have been backed by the revenue of the government in March and April and the revenue from the sale of services by the decentralized institutions such as the IRHE [Institute of Hydraulic Resources and Electrification] and INTEL [National Institute of Telecommunications] and the profits received through the

institutional games of chance, such as the lottery and racetrack. In short, the fact is that the government has issued checks backed by the revenue obtained by the public sector in the past 2 months.

Social Security To Cash Retirees' Checks
PA1105154988 Panama City LA REPUBLICA
in Spanish 11 May 88 pp 12, 6

[Passages in capital letters as published]

[Text] The Social Security Fund, in coordination with the National Bank of Panama, announces to pensioners and retirees that tomorrow WEDNESDAY 11 May it

will start the process of cashing checks corresponding to the first pay period of May at the usual places where checks are delivered. [The Social Security] notes that only the 30.00 balboa-checks marked with the word FIRST will be cashed for retirees and pensioners throughout the country.

The process of cashing checks will start at 0800; that is within the regularly established schedules, excluding those who receive checks at Gago [supermarket], who should cash their checks at the Yuyin Luzcando Gymnasium; Health Ministry; San Francisco and Parque Lefevre Polyclinic; and at the Revolution Stadium.

Argentina

Alfonsín Departs 11 May for PRC Visit
PY1105221488 Buenos Aires TELAM in Spanish
2123 GMT 11 May 88

[Text] Buenos Aires, 11 May (TELAM)—President Raul Alfonsín and his entourage left for the PRC today at 1815 [2115 GMT] when the presidential plane took off from the Ezeiza International Airport.

Foreign Minister on Meeting With G. Shultz
PY1105185888 Buenos Aires TELAM in Spanish
1602 GMT 11 May 88

[Text] Buenos Aires, 11 May (TELAM)—Foreign Minister Dante Caputo has said that during his meeting yesterday with George Shultz they discussed bilateral relations, the Argentine economic and political situation, and some regional issues of common interest.

Caputo said the possibility of an early visit by Shultz to Argentina was discussed. He said this would be useful, positive, and important.

Caputo stressed that Argentina has won respect, and it is heard when it talks abroad. He added the issues of arms sale and the Malvinas were not central to the discussion, but they were briefly discussed with other State Department officials.

Caputo spoke with Radio El Mundo from the New York airport before leaving for the PRC. He said the issue of drug trafficking was also discussed because this scourge requires the coordinated and combined action of all Latin American countries since the illicit activity does not recognize national borders.

Caputo said Argentina seeks concerted action to combat drugs and human rights violations because both problems deal with human dignity, and the well-being of mankind. He added that the mechanisms to coordinate our efforts have to be strengthened.

Regarding his candidacy for president of the UN General Assembly for which he needs 50 percent plus 1 of the votes of the 159 members, Caputo said he already has the support of enough members, but he wants at least 100 votes in order to have a good margin.

Caputo will arrive in the PRC on the morning of 12 May to fulfill some commitments that President Alfonsín will not be able to meet because of his decision to cut his trip short.

Caputo said the PRC is the largest and most dynamic market in the world, and it is a very important Argentine customer. He recalled that 1 out of every 2 dollars that entered Argentina as surplus last year came from the PRC. The PRC, therefore, is very important, he stressed.

Candidate Angeloz Rules Out Debt Moratorium
PY1105172088 Buenos Aires BUENOS AIRES HERALD
in English 11 May 88 p 7

[Text] (DYN)—Cordoba Governor and Radical presidential hopeful Eduardo Angeloz yesterday stated that if he is elected in 1989, his administration "will neither declare a unilateral moratorium" on foreign debt payments nor will it "threaten such a possibility."

Angeloz said that his strategy will be based on reducing interest rates and extending the period of payment.

"No to a moratorium, yes to firm negotiations," stressed the presidential candidate while meeting the ambassadors of the 12 European Economic Community (EEC) country members.

Angeloz said that his administration will encourage farm exports since revenues from this sector will "help the payment of debt commitments and its progressive reduction."

In this regard, he criticized the EEC's subsidy policy, while announcing that Argentina, along with other commodity-exporting nations, will call for the reduction of duty barriers during the upcoming round of GATT (General Agreement on Trade and Tariffs).

Angeloz, who yesterday met with Citicorp chairman John Reed, stressed that he was not "ambiguous" on the debt issue, adding that his administration will negotiate in order to reduce interest rates and obtain longer financing and grace periods as well as fresh funds.

When commenting on inflation, the Cordoba governor said that current rates were incompatible with his idea of administration and promised he will "strongly reduce public spending."

He also said that "we will free our economy from minor regulations and suffocating controls" while paving the way for "individual creative initiative."

Angeloz' reference to the foreign debt clashed with statements by Buenos Aires Governor Antonio Cafiero, who said that "to continue paying the debt was to continue dying."

During a meeting on Monday, Cafiero told Reed that he favoured the establishment of a "negotiated moratorium" on debt payments.

Brazil

Military Chiefs Meet, Discuss 'National Problems'
PY1205033088 Rio de Janeiro Rede Globo
Television in Portuguese 2255 GMT 11 May 88

[By Alexander Garcia]

[Excerpts] All military ministers met today at the Navy minister's office to discuss national problems.

Twenty such meetings have been held [since the reestablishment of democracy]. The meetings are held to standardize the thoughts of the Armed Forces members.

Today, the military chiefs reached the conclusion that they must warn the people against the great number of undue benefits comprised in the chapter of temporary provisions to be probably voted for before the end of the month. Among these undue benefits, they mentioned that another amnesty, the third since 1934, will be granted to military members.

The granting of this amnesty will cost the Navy Ministry alone 140 billion cruzados. It must be recalled that the Navy's yearly budget amounts to 81 billion cruzados.

The greatest political concern discussed during the meeting, however, was expressed by Army Minister Leonidas Gonçalves:

[Begin recording] Our greatest political concern is to succeed in performing this Brazilian transition to democracy with the greatest degree of tranquillity possible despite the transition crises we have been experiencing. [passage omitted] [end recording]

The wishes of the military chiefs can be summarized in three objectives:

1. To consolidate democracy.
2. To exclude entirely the possibility of military intervention in the transition process.
3. To create the necessary conditions to achieve the two previous objectives, and to warn the country about the risks of repeated crisis during a delicate process such as that of a transition to democracy.

Army, Police Repress Demonstration in Rio
PY1205021588 Rio de Janeiro Rede Globo
Television in Portuguese 2255 GMT 11 May 88

[Text] The Rio de Janeiro Police deployed several of its members to control a demonstration staged downtown today. Army troops protected Central do Brasil railroad station and the seat of the Eastern Military Command.

Demonstration organizers planned to cross Getulio Vargas Avenue, in downtown Rio, and march up to the monument in honor of Zumbi of the Palmares [slave hero that headed a revolution and founded a town in Palmares, Pernambuco State]. At the monument, the demonstrators planned to stage a special ceremony.

The Army, however, did not allow the demonstrators to follow the planned route. Early in the afternoon, Army troops occupied the Central do Brasil area. Soldiers with rifles were posted in the area, and waited for further instructions from the Command. Military policemen prevented the people from forming groups. Some people were arrested.

Two hours before the beginning of the demonstration, Military policemen mounted a strong security scheme in one of the Getulio Vargas Avenue lanes. Hundreds of Swat Team policemen formed a barrier on one of the sidewalks. They had orders not to allow the demonstrators to occupy the other lanes. Rio de Janeiro Civil Police Secretary Helio Saboya tried to negotiate with the demonstrators to prevent violence from breaking out.

Holding hands, the blacks observed 1 minute of silence, then began marching to the tune of Afro songs. The atmosphere of the demonstration was very tense.

In the afternoon, the Eastern Military Command released an official note reporting that the troops were deployed to prevent riots in downtown Rio, to help workers return peacefully to their homes by train, and to protect monuments and public property in general.

Bombs Explode at Military Police Quarters
PY1205003988 Rio de Janeiro Rede Globo
Television in Portuguese 2255 GMT 11 May 88

[Text] Three home-made bombs exploded today in the bathrooms of the military police General Command Headquarters in Jono Pessoa, Paraiba. The state Security Secretariat has sent a team of experts to the garrison, but the results of the investigation will not be known for 5 days.

Military Police Commander of Paraiba State, Colonel Costa has refused to comment on the explosions which have partially destroyed one of the bathrooms.

Chile

Navy Commander Says Plebiscite 'Could Be' in Oct
PY1105153188 Santiago Domestic Service
In Spanish 1030 GMT 11 May 88

[Excerpt] Admiral Jose Toribio Merino Castro has asserted that the Constitution will not be amended for the time being, and that the plebiscite could be held in October.

When asked his opinion on General Matthei's statement that he was not against open elections, the Navy commander said that he disagreed.

[Begin recording] [Passage indistinct]

[Unidentified reporter] Will the Constitution be amended?

[Merino] No sir, the Constitution will not be amended for the time being. [end recording]

During the interview, which followed the legislative branch meeting at the Diego Portales Building, Merino was also asked whether he favors holding the plebiscite during October. [recorded passage indistinct] [passage omitted]

National Security Council Meets, Establishes Role
PY1105020388 Santiago Radio Chilena Network
in Spanish 2300 GMT 10 May 88

[Excerpt] The National Security Council approved today its internal regulations, establishing the function of its members and its form of operation. These regulations were adopted unanimously by its seven members: namely, President Augusto Pinochet, who heads the council; the four members of the government junta; the president of the Supreme Court; and the president of the State Council. Other members of the council, who have a voice but no vote, are the interior minister, the foreign minister, the defense minister, the finance minister, and the economy minister.

The Constitution mandates that the National Security Council be a consultative body for the nation's president on matters related to national defense. Also, this council should decide on the presidential candidate should the commanders in chief not reach an agreement on a candidate. In this case, the comptroller general of the Republic will be included in the council. [passage omitted]

Nuncio on Bolivian Request for Papal Mediation
PY1105182988 Santiago Domestic Service
in Spanish 1030 GMT 11 May 88

[Text] Apostolic Nuncio Angelo Sodano has downplayed statements by Bolivian groups requesting that Pope John Paul II mediate in the sea-outlet issue. Sodano said His Holiness is aware of the problem but that some groups believe pressure must be exerted to resolve certain affairs. He said: I do not think there is any problem with exerting pressure.

Sodano said Bolivian citizens' statements in this regard are not attacks but merely expressions of a hope. He added: Naturally, the pope cannot prohibit people from expressing their hopes. I think all Chileans agree with this.

Sodano made this statement at the end of a ceremony held at the Venezuelan Embassy during which Cardinals Juan Francisco Fresno and Raul Silva Henriquez were decorated with the Andres Bello band of honor and the Andres Bello Medal.

Socioeconomic Council Starts Period of Sessions
PY1005192388 Santiago Domestic Service
in Spanish 1700 GMT 10 May 88

[Report from La Moneda Palace by Veronica Munoz]

[Excerpts] Minister Secretary General of the Presidency Brigadier General Sergio Valenzuela has said that, beyond mere demagoguery and cliches, Chile is vigorously and resolutely heading toward the full enforcement of a new democracy, which will overcome the vices of the previous democracy and be capable of confronting the challenges of the modern world.

Valenzuela made this statement upon opening the fifth period of annual sessions of the socioeconomic council at the Diego Portales building. [passage omitted]

Valenzuela ended his speech by stating that it was up to each and every Chilean citizen to fully consolidate the established cornerstones and achievements that have been reached.

Twenty percent of the members of the socioeconomic council have been renewed for the new period of sessions. The remaining members have been confirmed in their posts by President Augusto Pinochet for another year. [passage omitted]

Guzman Elected Leader of UDI for Yes Vote
PY1105145488 Santiago Domestic Service
in Spanish 1030 GMT 10 May 88

[Text] Jaime Guzman Errazuriz, former National Renewal Party president, has been elected president of the UDI [Independent Democratic Union] for the Yes-Vote [UDI por el si] during a rally at which 1,000 participants reiterated their support for the president of the Republic.

The following members were elected vice presidents: Jovino Novoa, Francisco Bartolucci, (Eugenio Cantuarias), and (Julio Desmond). Pablo Longueira was elected general secretary.

Jaime Guzman addressed the audience at about midnight at the Spanish Club here. He gave a brief description of the party since its creation 20 years ago in the universities. He recalled that the basic idea of the UDI represents an alternative by which to eliminate the totalitarian tendency of Marxism-Leninism.

FBIS-LAT-88-092
12 May 1988

Subversives Set Bus Afire; No Casualties
PY1105135088 Santiago Domestic Service
in Spanish 1030 GMT 11 May 88

[Text] Here is a late-minute report. At approximately 0655 this morning two subversives set fire to a bus on the San Carlos-Alameda line.

The bus driver, who refused to identify himself, told us that two unmasked individuals had boarded the bus about 2 minutes before he stopped at the traffic light on the corner of MacIver Street and Bernardo O'Higgins Avenue. They threw a bottle of flammable liquid, immediately igniting the vehicle which burned completely.

Members of the 1st Volunteer Firemen's Brigade arrived at the scene almost immediately to try to save at least the engine of the bus.

The firemen are still trying to put the fire out. This is all for the time being from the corner of MacIver Street and Bernardo O'Higgins Avenue.

Paraguay

'Builders of Society' Meeting With Pope Suspended
PY1105171688 Asuncion RPC Television Network
in Spanish 1600 GMT 11 May 88

[Excerpts] Through the Foreign Ministry and the Education and Worship Ministry, the Paraguayan Government has informed the Vatican, through its Apostolic nuncio in Paraguay, that it has decided to suspend the scheduled meeting with the so-called builders of society.

Asked about the reasons for this decision, Foreign Minister Carlos Augusto Saldivar said:

[Begin recording] [Saldivar] The government has adopted a sovereign decision. We have reported this decision to the apostolic nuncio. The note has been submitted to the apostolic nuncio and is signed by the education minister and by myself. It is quite explicit about the reasons for this decision. This note explains all the background details that led the government to adopt this decision.

[Unidentified Reporter] Can the government make a unilateral decision like this?

[Saldivar] The government is sovereign throughout the national territory, and it will not forsake its determination to exert its sovereignty. [end recording] [passage omitted]

According to Education Minister Carlos Ortiz Ramirez, all the issues the government has considered seek to safeguard social peace and national stability.

SOUTH AMERICA

[Begin Ortiz Ramirez recording] As a practicing Catholic, I believe the pope's presence in Paraguay is an incentive and a joyous event. I am not worried about what will happen before his arrival and during his stay in our country, but as a politician and a citizen, I am concerned about what will happen in our country after his visit. The objective of this meeting with the builders of society was to unleash a campaign not only to destabilize the government but also to oust it. [end recording]

Saguier Renounces Request for Political Asylum
PY1105211088 Asuncion ULTIMA HORA in Spanish
11 May 88 p 55

[Text] Miguel Abdon Saguier, of the Authentic Radical Liberal Party (PLRA), has renounced his request for political asylum. After leaving the Argentine Embassy this morning, he appeared before Criminal Judge Cesar Rey Martinez, who questioned him on the trial for the violation of Law 209 (Defense of Public Peace and Freedom of the People).

The charges were filed by State Attorney Clotildo Jimenez, who accused Miguel Abdon Saguier of gratuitously offending government officials in interviews held during visit to the United States.

On the occasion, the opposition leader said that it was difficult to fight drug trafficking in Paraguay because "some government sectors are involved in the illegal trafficking of drugs." Before going to trial earlier, Saguier requested political asylum from Argentina, which was granted to him. He could not leave the country, however, because the government did not issue the required safe-conduct.

"I am here because I am convinced that I have not committed any crime," Saguier told journalists who were waiting in the corridors of the court.

Commenting on Attorney Jimenez' charges, Saguier said: "This is totally absurd. I did not commit any crime, and I have renounced my request for political asylum. I have explained to the ambassador [Argentine Ambassador Quijano] that my request for political asylum had helped to focus the people's attention on the difficulties being experienced by Captain Modesto Napoleon Ortigoza who, after 25 years in jail, continues to be wickedly persecuted by the government."

During his testimony this morning, Saguier confirmed his statements to the U.S. press by saying: "Some government sectors are covering up the activities of the drug traffickers." Judge Rey will decide on a sentence within the next few hours. It has been said that he may order Saguier's detention.

Police Break Up Engineering School March
PY1205003088 Asuncion Radio Caritas in Spanish
2100 GMT 11 May 88

[Text] Incidents were reported this morning in downtown Asuncion between engineering students and police who broke up a march held by freshmen of the Engineering School.

Engineering Students Center (CEI) Vice President Enio Quevedo will now comment on this issue.

[Begin recording] [Quevedo] Really, this was a very painful incident for us, the CEI leaders, because it involved the traditional annual hazing of the engineering freshmen. The hazing begins at the Engineering School and then the freshmen march along Palma and Estrella Streets. This has been done for nearly 20 years without any incident whatsoever.

We were marching on Estrella Street. I want to make it clear that we were chanting slogans from the university games when a group of about 40 policemen, wielding truncheons, suddenly appeared and unexpectedly started beating the freshmen who were marching at the rear. The freshmen, who have just graduated from high school and are very young, did not understand what was happening. They could not react. They could not run because it was a large group and the street was not wide enough to allow all the group to clear the street immediately. Thus, many people were badly beaten. There were even some cases of policemen furiously beating people who were lying on the ground. The policemen continued beating and kicking them. This is something I would like to emphasize.

I want to emphasize that this was a peaceful march. We were not even chanting political slogans. Nothing of the sort. We were just celebrating the hazing of the engineering freshmen. I must also emphasize that especially the girl students were brutally beaten.

[Reporter] Is there a list of injured people available?

[Quevedo] No. We could not list the injured people because everyone rushed for shelter. I can only tell you that no one has been detained. However, many people were badly beaten.

[Reporter] Where in Asuncion did this happen?

[Quevedo] This happened on Estrella Street near the Da Vinci pastry shop. It happened there.

[Reporter] Did the police act unexpectedly or were they already following you?

[Quevedo] No. No. This is what we want to emphasize. We were not even told that the authorities disapproved of the march. They suddenly appeared on the corner. They did not even ask us to break up the march. They simply began to beat and beat and beat.

[Reporter] What was the itinerary of the march?

[Quevedo] Well, the march traditionally begins on Espana Street, leaving the Engineering School. The march then goes through the Plaza Uruguay and Palma Street. It usually goes up Colon Avenue but this year we did not want it to reach Colon Avenue because the itinerary was too long. Then, the march goes through Estrella Street, returning to the Engineering School. This is the itinerary traditionally followed by the freshmen every year. [end recording]

Peru

Garcia Appoints Villanueva New Prime Minister
PA1205045288 Paris AFP in Spanish 0416 GMT
12 May 88

[Text] Lima, 11 May (AFP)—The government of Peruvian Prime Minister Guillermo Larco Cox today presented its resignation "so President Alan Garcia can immediately appoint a new cabinet that will help create better conditions to overcome the country's current difficulties."

President Garcia immediately appointed APRA Secretary General Armando Villanueva as the new prime minister responsible for proposing, in the next few hours, a list of new cabinet members.

The resignation of Larco Cox' cabinet was kept secret by President Garcia even though it was presented on Monday in a letter signed by all the ministers.

In late April, Larco Cox' cabinet underwent 4 days of interrogation by rightist and leftist opposition sectors. This was the longest interrogation in the Peruvian parliament's history. However, no immediate consequences resulted from the interrogations because the cabinet received the support of the ruling party's majority in parliament.

The government's economic and antisubversive policy has been strongly questioned by the opposition. In various polls published after the parliamentary interrogation, more than 60 percent of the Peruvian people wanted the government to resign.

Uruguay

Support for Argentina on Falklands Reaffirmed
PY1105130988 Montevideo Radio Carve in Spanish
1000 GMT 11 May 88

[Excerpt] In response to news reports published in London about an alleged deterioration of Uruguayan-Argentine relations in view of difficulties regarding the implementation of a bilateral fishing agreement, a high-ranking Uruguayan Foreign Ministry source has said nothing will change Uruguay's position regarding Argentina's claim over the Malvinas Islands.

An EFE report date-lined London says the FINANCIAL TIMES has reported that Uruguay may withdraw its support from Argentina regarding the Malvinas Islands issue if the Argentine Government does not authorize Uruguayan ships to fish within the 200-miles limit. [passage omitted]